

# Ir Heath backs 1971 Immigration Act against Thatcher line

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# Coal strike hits Americans facing freeze-up

From Patrick Brogan Washington, Feb 13  
The Energy Department is taking the first steps towards proclaiming a state of emergency because of the coal-miners' strike. The miners have been out for two months and voted yesterday to reject the settlement worked out between their negotiating committee and the mine owners.

Ohio is the state which will suffer first. President Carter has suspended air pollution regulations there, permitting factories to use high-sulphur coal. There is no chance that the strike can be settled in less than three weeks, if only because any settlement has to be ratified by a referendum of miners, and Ohio expects that

between 500,000 and 700,000 people will be laid off because of it. The gravity of the situation is exacerbated by the weather. The freeze has lasted a month now and the long-range weather forecast, published today, predicts continued harsh weather into mid-March. Another blizzard was expected tonight.

Yesterdays rejection by the rank-and-file miners of the agreement reached after four and a half months' negotiations, is because it sought to limit unofficial strikes. The general strike began when the last contract expired 70 days ago and the mine owners are now considering whether to resume negotiations immediately, as the Union, the

United Mine Workers has asked, or whether to fight it out on the basis of the rejected settlement. The owners offered a pay increase of 37 per cent over three years and considerable fringe benefits.

The union is already badly split. Its president, Mr Arnold Miller, led a revolt of the miners against the union leaders (the defeated president is now on trial for a second time on a charge of arranging the murder of a union opponent) and the spirit of insurrection continues. There are 160,000 members of the union, and they are feeling the pinch. The Energy Department is examining ways of moving existing coal stocks to power plants which are in danger of running out, to begin

with those in Ohio, Illinois, Pennsylvania and Indiana. Chicago: A snowstorm swept the mid-West today causing drifts of up to 6ft on highways, closing schools and businesses and hitting states in the Ohio Valley not yet recovered from the deep snows of last month.

Schools shut down for the day in Kansas City, Omaha and Lincoln, Nebraska, and scores of other cities and towns from the Great Plains to Illinois. Rain, heavy at times, battered southern California as rescue teams prepared to renew the hunt for more than a dozen people missing from Friday's deluge. So far, 11 are known to have died in the wind and rain storm and the flash floods it set off.—UPI

# Mr Sadat encouraged by his tour

From Charles Hargrove Paris, Feb 13  
President Sadat said here today that he had been greatly encouraged in his peace initiative by his talks in the United States and European capitals.

He had been "disheartened and discouraged" when he left Cairo, he told a news conference. But "I am very proud of the warm feelings my initiative has provoked in the United States, France and all over the world."

Mr Sadat, who had nearly two hours of private talks with President Giscard d'Estaing here last night, said that he had not raised the subject of new arms deliveries by France to Egypt. "There was no discussion between us of this subject", he said categorically.

His talks were concerned with the Arab-Israeli conflict and with the situation in the African continent, especially the Horn of Africa. The main concern of the French President and himself was that "the territory of Somalia should not be invaded by the Cubans and diverse Soviet elements who are attempting to do so."

Mr Sadat said he had received masses of letters from within the 10 per cent guidelines was upheld by 283 to 268, a government majority of 15.

The House rejected the Tory cease motion declining support for the Government's use of economic sanctions against firms and workers who have negotiated pay settlements beyond a rigid limit not approved by parliament.

Mr Healey was totally unrepentant about the contract clauses as an aid in the battle against inflation. Indeed, he indicated that if Ford and Vauxhall had negotiated their pay settlements later in the present round instead of at the start, when it was hoped that there could be some flexibility in settlements, those industrial giants might have found themselves on the Government's blacklist if they had refused to renegotiate.

The Chancellor reminded the House that of more than 32,000 settlements in the past two and a half years only 385 were outside the guidelines. Of the 375 renegotiated, only 48 firms were

in breach during the last three rounds of pay policy. The Government was refusing settlements in an even smaller number of cases. Mr Healey accused Mrs Thatcher and her colleagues of trying to undermine the fight against inflation by all possible means, both fair and foul.

Criticizing the attitude of some members of the Tory Front Bench that the Government could have a pay policy for the public sector but not for the private sector.

As Mr Healey moved towards a more rigid wages policy, Sir Geoffrey Howe, QC, the shadow Chancellor, opening the debate, was shifting the Tories in the opposite direction.

With unusual vehemence which appeared to rule out any form of statutory control on pay in almost any circumstances for a future Tory Administration, Sir Geoffrey denounced the Government in one of the most effective speeches he has made for some time.

He described the new policy shift as "damaging and dishonest. The methods to be used to enforce the guidelines were unjust, arbitrary, unlawful and unconstitutional."

The 10 per cent figure, which began as a guideline, became a norm, then a target, and finally a platform. The present position, Sir Geoffrey said, offered reduced scope for the flexibility in pay bargaining that everyone knew was desperately necessary.

Describing what was happening as "jackboot justice", he said the Government was ending up with all the rigidities of the statutory system with the added disadvantage that it lacked parliamentary authority for what was doing. The decision on whether something was in breach of the income policy was to be given by certificate from the Secretary of State, who would be the investigator, prosecutor and total tyrant.

That, Sir Geoffrey concluded, was an intolerable use of power that the House ought not to allow for one moment. Parliamentary report, page 4

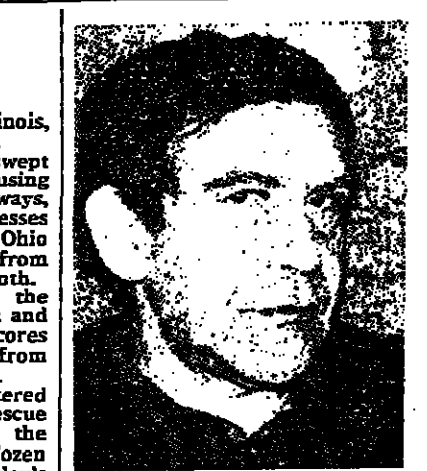
# Mr Healey confirms optimism on inflation

By Hugh Noyes Parliamentary Correspondent Westminster  
Mr Healey, in the Commons yesterday, placed the Treasury's seal of approval on the bullish pronouncements of his Cabinet colleagues during the past week on the economic health of the nation.

He told MPs, at the start of the Conservative's censure debate on the new contract clauses for public purchasing, that for the first time since October 1973, the February retail price index on a year-on-year rate would be down to single figures. The same index for January, out later this week, would be close to 10 per cent.

The Chancellor confirmed the belief of his Chief Secretary, Mr Barnett, that inflation was expected to continue to drop and stay in single figures for the rest of 1978.

The Government's defence of its wages policy by requiring firms to sign the contracts binding them to settlements



Yuri Daniel: Just not in the mood to write.

# Daniel back from the lions' den

From Thomas Kent (Associated Press) Moscow, Feb 13

If any single event was the start of the Soviet dissident movement, it was the 1966 trial of the writers Andrei Sinyavsky and Yuri Daniel. Their crime was writing bitter satires about Soviet society, and their labour camp sentences drew attention both here and abroad to the issue of Soviet literary freedom.

Today, Mr Sinyavsky lives in Paris, let out of the Soviet Union after the end of his seven-year term. But Mr Daniel is still in Moscow, with no plans to leave. Quietly occupied with the translation of poetry and far removed from today's Soviet dissidents, Mr Daniel says he has no intention of writing anything that could anger the state.

"I'm just not in the mood to write," Mr Daniel said in an interview in his book-lined apartment. "If I had the desire, I would write. It's not that I'm afraid of the consequences."

Mr Daniel, who spent five years in jails and camps, is now 52. He chain smokes and his face is deeply lined. He does not care to see himself as a founder of the Soviet dissident movement.

"I'm not interested in politics, I'm not a fighter. I wanted to publish my stories, and so I did. But I'm very sceptical about the ability of literary people to bring about great social transformations."

As for the dissidents who have come to the fore since 1966, Mr Daniel says he has the highest respect for Dr Andrei Sakharov, the Nobel peace prize winner, and for camp colleague Alexander Ginzburg, now under arrest for a second time.

But he accuses many dissenters of looking for "sensations and self-advertising" for Dr Andrei Sakharov, the Nobel peace prize winner, and for camp colleague Alexander Ginzburg, now under arrest for a second time.

"I don't really believe in the fruitfulness of collective activity," Mr Daniel says of current dissident groups. "I am very sympathetic towards many of the people, but I am pessimistic about the results of their joint efforts. Just because of that, I've never participated in, say, joint letters of protest."

Mr Daniel, who is Jewish, believes the Soviet literary scene has become noticeably freer since the 1960s, and that with continued Western pressure for liberalization it will evolve still further.

But he does not expect quick results, and believes it may be many years before the kind of stories he wrote can be openly published in the Soviet Union.

Now he is devoting all his time to translating poetry

# Threat to break EEC over fishing

Wood Feb 13  
British Conservative European Parliament on the brink of a showdown with Mr the Minister of Agriculture and Fisheries, in EEC pressures on

the creation of a trading merger between the EEC and the European Free Trade Association (EFTA) as a substitute.

Mr Rippon has the opportunity to make his point when he serves as chairman at a European colloquy in Madrid next week.

Conservative feeling against the West German attitude on fishing clearly runs high. There is no doubt that Mr Rippon, leader of the Anglo-Danish fishing group, is fully in sympathy.

As a profoundly committed Europeanist, he would inflict great damage on the EEC and the European deal if he were driven to make the speech that is undoubtedly in his mind.

Wine support, page 6

# Hope of quick end to tanker men's dispute

By Donald Macintyre Labour Reporter

The oil companies were hopeful of an early end to the tanker drivers' overtime ban last night after a majority of Shell men involved had voted to accept a new offer.

As results of meetings at terminals came in last night the indications were that senior shop stewards would vote to accept the offer and call off the ban today.

A Shell official said last night: "From reports we have so far it looks as though there should be a favourable response to the improved offer tomorrow."

The company's 2,200 tanker drivers were meeting amid evidence that the dispute was having a growing impact on the industry. The Singer sewing machine plant at Clydebank was shut down last night because of oil shortages and its

4,500 employees were laid off. Representatives of the other 6,000 drivers, at BP, Esso and Texaco, involved in the ban will vote in London tomorrow and on Thursday and Friday. Union officials think it likely that they will follow the pattern set by the Shell men.

The drivers began their overtime ban and other sanctions two weeks ago after rejecting a broadly based pay offer from the four companies of 10 per cent on earnings and a productivity deal worth about 5 per cent.

The drivers, whose average earnings are just over £100 a week, have been seeking consolidation into basic rates of the two supplements of the previous two years and of the 10 per cent increase. The Government ruled that that would mean a pay rise of 15 per cent.

The new offer is believed to go some way towards meeting demands for a new basic rate without affecting overtime earnings for the present. Shell have assured the Department of Employment that the new offer is within a pay policy although it will still have to be approved by officials.

British Airways yesterday had to cancel three transatlantic flights because of a shortage of petrol for coaches and vehicles servicing aircraft.

Several London boroughs reported a shortage of heating oil and the British Medical Association said that if petrol shortages continued doctors would have to forgo essential visits of patients.

Mr Rake, the Home Secretary, told the Commons that the Metropolitan Police Commissioner had instructed the force to economize on the use of petrol where possible. The London Taxi Drivers' Association said its members might be forced off the road.

# Duke has eye operation

The Duke of Gloucester is recovering in King Edward VII's Hospital for Officers in London after an operation for a detached retina.

Kensington Palace said that the Duke, who is 33, was progressing favourably.

# Top dog found among strays

The missing prize boxer bitch, Sukhi, alias Tregarth Bottoms Up, was found in the Dogs' Home, Battersea, yesterday by her owner's kennel.

Miss Ann Kench, who lives in Battersea, Sukhi disappeared from Crofts show on Friday night. Her owner, Miss Sheila Cartwright, of Worlestone, Surrey, said last night: "Sukhi was found on Battersea Bridge and the police handed her in to the home."

Leader page 15  
Letters: On managers' pay, from Mr David Lindsay, and Mr Roy Close; on spine bifida, from Professor Sir John Dewhurst and Professor J. S. Scott

Leading articles: Germany and the United States; Mr Ebbitt and Mrs Gandhi, pages 14 and 16

Bernard Levin on what Mrs Thatcher might have said about immigration; Sir Ian Gilmour on social democracy; Diana Geddes asks: Has race come into the classroom? 8

Arts, page 12  
Paul Overy looks at art and life in the city; Paul Moor reviews Joachim Herz's *Madame Butterfly* at the Komische Oper

Sport, pages 8 and 9  
Football: Experimental Scottish side to visit Bulgaria; Stoke City announce new manager; Tennis: South Africa pick non-white player in Davis Cup party

Business News, pages 18-23  
Stock markets: In a cautious market the FT Index closed 1.1 down at 469.9. Gifts also fell back

Financial Editor: Echoing Treasury forecasts Food retailers weighing the cost of the price war; Notts Manufacturing mounting cash balances

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ME NEWS

## Comprehensive school pupils to take course leading to international baccalaureate

Geddes Correspondent

Teachers at a comprehensive school will for the first time start studying towards an international baccalaureate that will open the way to any university in the world.

The Prince of Wales College of International Baccalaureate, a private foundation, was set up in Geneva by Mr Peterson as its director-general, a post he held until his retirement in July last year. It is financed mainly by contributions from 14 nations, ranging from a nominal \$1,000 to \$20,000 a year, and enjoys consultative status with Unesco.

Since the first examinations were held in 1970 nearly nine thousand candidates from 109 schools, including 142 British candidates, have sat for the international baccalaureate. Last year 60 schools and colleges round the world presented two thousand candidates, the number of candidates has risen at an annual rate of a fifth over the past two years.

From next autumn courses will be offered at Incestone Anglo-European Comprehensive School, Essex, and Nelson and Colne Tertiary College, Lancashire. The independent Sevenoaks School is considering introducing it.

Apart from Atlantic College, courses for the full international baccalaureate Diploma are offered at Hammersmith and West London College and Avery Hill Institute of Higher Education, south London.

Candidates for the diploma must take examinations in six subjects, three at higher level and three at subsidiary level. Mathematics and two language and literature papers; one in the candidate's mother tongue and the other a foreign language, for example, are compulsory.

Candidates may then choose one subject from the "study of man", which includes history, anthropology, etc.; one experimental science, such as biology, physics, or chemistry, and a sixth subject from any of the preceding five categories or based on a course set by the school and approved by the International Baccalaureate Office.

All students in schools, as opposed to further education colleges, are required to do a course in the theory of knowledge and be engaged for the equivalent of at least one half day a week in some creative or social service activity.

The format of the syllabus is similar to that of the proposed N and F examinations that may replace the A-level system in England and Wales, though many would argue that the international baccalaureate is much better.

## Mercury 'at one time used as a purgative'

By Hugh Clayton

Fruit traders turned to scientists, government departments and metal detectors yesterday to try to check the sharp fall in purchases of Israeli oranges. The reason for their campaign by telling reporters that liquid metallic mercury of the type found in a few oranges had once been used in medicine.

Dr Anna Snowden, of the applied biology department at Cambridge University and scientific adviser to the National Federation of Fruit and Potato Traders said: "It is specific gravity and the laws of gravity combined to create a potent therapeutic modality". In other words, "the liquid metal was once used in the treatment of obstinate constipation".

She had found after consulting "biochemists, physiologists, food scientists, toxicologists and medical experts" that no authority considered metallic mercury to be poisonous.

Wholesalers, whose sales of oranges have dropped by three fifths, and their greengrocer customers held a gloomy press conference after pleading unsuccessfully with the Department of Health and Social Security and the Ministry of Agriculture for an announcement saying that mercury was not poisonous. The department merely repeated its earlier statement that consumption of small amounts of metallic mercury do not constitute a significant hazard to health.

"What we are frustrated about is that the extent of the problem is absolutely minute", Mr Alrick Glass, vice-chairman of the National Federation of Fruit and Potato Traders said. "Yet rumors variously estimated at 100m are at stake".

The Co-operative Wholesale Society, which handles a tenth of the fruit sold in Britain, but metal detectors in the forefront of its security campaign. Fruit will be held for four days to give time for contamination to show, then be canned before sale.

Hertfordshire warning: Hertfordshire police warned fruit buyers to examine fruit carefully before eating it after a suspected contaminated grapefruit had been discovered in the Watford area. Another suspect was found in Newcastle upon Tyne.



A balancing act by Mr Howell, Minister for Sport, before he opened the National Skateboard Trade Show at the Royal Horticultural Society's Hall, Westminster, yesterday.

## Backbench threat of revolt over child aid

By Our Social Services Correspondent

The Chancellor of the Exchequer has been warned that a backbench revolt against his proposals to reduce child tax allowances in April is likely unless he increases child benefits again in November.

The April reduction in allowances is to help to pay for the next benefit increase the same month. Work on the benefit increase is too far advanced to be stopped, and the net effect would be to force the Government to increase further its support for families then.

The revolt is threatened because of fears that the Treasury is firmly against a second benefit increase this year, as proposed by the working party on child benefits. A substantial increase in child benefit in the Budget has been supported by most members of the TUC General Council and leading members of the Roman Catholic and Anglican churches.

The proposal, to be considered by the Cabinet this week, is to raise benefits by another £1 a week in November to bring the rates to £3.30 a child and £4.30 for the first child in non-parent families. The cost would be about £300m up to April, 1979, when the next benefit increase is due.

The phased introduction of the scheme has meant that the Government has begun to withdraw allowances in stages. In the past 18 months much evidence has been produced to show that families with children have fallen behind other taxpayers in government support. The working party wants the November increase to compensate families for lowered living standards.

It also wants the increase to link child benefits with other social security allowances, due in November. After the rise due in April, 1979, when the remaining allowances are due to be phased out, the working party wants benefits to rise each November.

The Treasury has opposed the proposal on the ground of cost. Labour backbenchers threaten to oppose the Finance Bill clauses on allowance reductions if no increase is announced for November in the Budget, or if the increase falls far short of the £1 proposed by the working party. Conservative and Liberal support is likely.

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## District councils press on campaigning for changes

By Christopher Warman

Local Government Correspondent

The Association of District Councils is pressing ahead with its campaign for changes within the reorganised structure of local government despite opposition from the Association of County Councils and the Conservative Party.

Its strongest ally is Mr Shore, Secretary of State for the Environment, who favours "organic change" in the present two-tier system, introduced in 1974, to end duplication and restore powers to some of the former county boroughs.

Sir Duncan Lock, chairman of the ADC, emphasized yesterday that it did not want another reorganization. "We want to improve the mechanics of the structure to provide better and more economic services for the people we serve", he said.

It was a distortion to say that the district councils were seeking power for power's sake. "The distribution of functions and the division of responsibilities must be the most efficient for the benefit of the ratepayers", he said.

Sir Duncan said they believed that decisions should be taken as close to the people as possible, which meant by the district councils as much as possible, and that the system should be flexible. It was clearly illogical for a city like Bristol to have only one council to have the same functions as the smallest district.

He complained that moves towards the changes they desired were not being made quickly enough. The ADC will continue to press to get its proposals implemented.

Although some of the largest districts would like the return of education, the association accepts that that is unlikely. Its main concerns are planning, highways and social services.

Ironically, the leader of one of the largest districts campaigning for more powers yesterday argued against the proposals. In the latest issue of *Centre Forward*, published by the Conservative Party, Mr Norman Beal, leader of the Ipswich City Council, said there was little evidence of demand by the electorate for the proposed changes.

"When central government is indicating yet further financial restraint the current reform proposals are in conflict with this economic strategy. The vastly increased costs inherent would inflate rate requirements and produce an immediate adverse reaction from the electorate", he said.

*Centre Forward*, Local Government Organisation, (Conservative Central Office, 32 Smith Square, London, SW1, £1.)

## District rate rises may average 13%

By Our Local Government Correspondent

Rate increases for householders in the areas outside the main conurbations are likely to average between 12 and 13 per cent for the coming year, according to the Association of District Councils.

An analysis of the provisional rates from 47 of the 333 non-metropolitan districts councils in England and Wales shows an average of 12.4 per cent. Because increases are likely to be somewhat higher among Welsh districts, the overall figure is expected to be about 13 per cent.

These first indications are nevertheless in line with the hopes of Mr Shore, Secretary of State for the Environment, that rate increases for 1978-79 will be in single figures.

With the Government's rate-support grant being directed towards the big cities and metropolitan areas, the average rate increase there is expected to be well under 10 per cent.

Estimates suggest that district rates will be up by an average of 4 per cent. When the county precept and domestic rate relief are added, the average increase becomes 12.4 per cent.

Norfolk increase: Norfolk County Council's new rate of 66p in the pound, an increase of 8.9 per cent, was approved by the policy and resources committee yesterday.

## Green pound backed by farming academics

Leading agricultural academics issued a report yesterday that rejected the principle adopted by the farming lobby and the Conservative Party that the "green pound" is a grotesque perversion of the aims of Community farm policy.

The report said farm prices and conditions differed so much between member states that the green money system was necessary.

Professor Timothy Josling, Professor of Agricultural Economics at Stanford University, who was formerly at Reading University, said green money and the compensatory

amounts that accompanied it should be considered integral to the system and not an incubus on it.

That conflicts with the view of farmers and landowners in Britain, who feel cheated of income by the Government's use of the green pound to hold down food prices at the expense of their returns. Professor Josling, one of the authors of the report, said: "I should say that in 10 years' time there will either be a green currency or something very close to it."

*Common Prices and Europe's Farm Policy* (Trade Policy Research Centre, 1 Gough Square, London, EC4, £2).

## Ban on visiting London

Andrew Pritchard Attwell, aged 26, an unemployed actor, of Argos Hill, Rotherfield, Sussex, who was said to be a drug addict, was banned by Mr David Bocking, the Marlborough Street magistrate yesterday, from visiting London for a year.

Mr Attwell admitted stealing records valued at £132 from a West End shop and returning there next day and stealing a television set shortly after appearing at the court. He was conditionally discharged.

## Health courses for executives

A four-day course for senior businessmen, in which medical checks and advice will help them to prevent serious illnesses said to be common among executives, is announced today by the British United Provident Association and Oakham School Enterprises.

Bupa, Britain's largest private health insurance organization, is using the independent co-educational school's facilities in Leicestershire during holidays. The courses will cost £225.

## Chemy law 'now more stringent'

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l as an attack on

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made with the intention of in-

sulting Christian believers, and

cited the case of Ramsey and

Foot in 1883 as support for

that view. In that case the

judge had said that it was not

blasphemy to deny the truth of

Christianity unless it was done

in a "scurrilous, wilful and

malicious" way, intentionally to

insult members of the Christian

faith.

But Judge King-Heppel, QC,

who presided over the

prosecution at the Central

Criminal Court, brought by Mrs

Mary Whitehouse and taken

over by the Crown, had not

asked the jury to consider the

intentions of Mr Lemon and

Gay News. That was the most

important ground for appeal,

Mr Mortimer said.

Moreover, the poem was not

an attack on the tenets of the

Christian faith. On the con-

trary, the last lines of the poem

affirmed the doctrine of the

resurrection.

Judge King-Heppel had

taken the view that because

the poem was obscene and

because it was about

Christianity it was blasphemous. That was not enough, counsel said.

The poem, by Professor James Kirkup, who is now thought to be living in Japan, did not impugn Christianity, but supported it, though in an obscene manner. The publishers could have been prosecuted under the Obscene Publications Act, 1959, but should not have been convicted of blasphemous libel, because it was not an attack on Christianity.

Mr Mortimer said the other ground of the appeal was that the judge had used erroneous definitions of the crime in his summing-up.

He had preempted the jury's decision by continually saying: "Can you think of anything more profane?" He also erred in not asking the jury to consider the circumstances in which the poem was written and who was likely to read it.

The appeal against conviction and sentence, which is being heard by Lord Justice Roskill, Lord Justice Eveleigh and Mr Justice Stocker, continues today.

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ME NEWS

## Children in residential care being punished illegally, ministry says

Teens services Correspondent  
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## Authentic voice of the Arctic warrior

By Peter Hennessy  
The gloom of a long winter evening in northern Norway lifted a little recently when Fleet Street descended on a frozen mountainside.  
Out-of-condition journalists, decanted from a tracked vehicle, were ushered one by one by a courteous Marine officer into a row of tiny holes, to emerge after a few seconds' scrambling into candlelit caverns, deep beneath the drifts, to greet surprised Marines with the words "Good evening, I'm Angus Macpherson of the Daily Mail." "Hello, I'm Bob Hutchinson of the Press Association", and so on down the line.  
In such an incongruous setting one discovers the authentic voice of the Arctic and mountain warrior.  
Snowholes rather resemble potholes, with a lower platform one or two men: above, icy galleries and tunnels stretch away, following the configuration of the rockface. Into those the Royal Marines must squeeze themselves and their equipment as best they can.  
The candles add a sepulchral touch. The poetry of the atmosphere was further enhanced by clouds of cigarette smoke and the bouquet of the beef curry on which the men had just dined from their Arctic ration packs. "Magic", they called it, appending an unforgettable adjective.  
Grand strategy appears in a



Candlelight cheers the Arctic gloom for Royal Marines squeezed into a snowhole in northern Norway.

different light when dissected in a Norwegian snowhole over a billycan of hot chocolate tasting like lukewarm molasses. The Marines have few worries about the military might massed against them on the Kola Peninsula. They have better kit and are better trained, being regulars, they say. The Russians are conscripts. If it came to it, the British would fight as long as they could in the Lyngen Gap and then take to the mountains, carrying on guerrilla warfare at night, hiding in snowholes by day.  
Were they not worried that 45 Commando might be a pawn sacrificed by politicians unwilling to resort to nuclear war for a limited Soviet advance in

north Norway? "We do not look at it like that. If they came that far, surely something would start. It would not stop at the ice-free ports. Here they pause and look at each other. 'It (explosive) better not!'"  
Snowholes have a tendency to collapse. The men mount a permanent watch. If the candles start to flicker you wake the rest, grab a shovel and make for the exit down the slope, round the corner and out of sight. Watches take on a surreal air, especially if the talk turns to politics, back home. At one o'clock in the morning a Royal Engineer alongside inquired in his pleasant Scottish accent: "And what's your position on coons, Pete?"  
Their politics generally are of the harder variety: bring back national service "to sort out the yobbo", and so on. But, trained killers though they may be, they are not short of basic humanity. A talkative visitor, asking daft questions, making life even more cramped than usual, was made to feel very welcome.  
The absurdity of the encounter was not lost on them. Every time my heavy boots, tucked into the bottom of the sleeping bag to prevent them freezing, dragged me down the ice slope towards the "cold hole", they would haul me back, bag and baggage, with great fortitude.

## Company's challenge to Acas on union

A firm of car parts distributors with 170 employees is challenging the Transport and General Workers' Union and the Advisory Conciliation and Arbitration Service (Acas) in a dispute over union recognition.  
In the High Court in London yesterday, Acas failed in its attempt to get an action against it by Autogem (UK) Ltd struck out.  
Autogem wants the court to declare that Acas's recommendation that the TGWU should have bargaining rights is outside its powers. At a private hearing Mr Justice Conyn ruled that the company had an arguable case.  
He directed a speedy trial of the case, which is expected to be heard in about two months.  
The claim is similar to the Grunwick case, in which the north London film processing firm defeated the Acas recommendation that it should recognize a union.  
Autogem is based at Howley Park, Morley, near Leeds.  
In 1976 the TGWU's attempt to get bargaining rights on behalf of 26 packer-assemblers at Morley, most of them women, was rejected by the company.  
Acas was called in and after interviewing all 56 manual workers at Morley recommended that the union should be recognized.  
The company issued its writ against Acas last October. It asserts that Acas should have interviewed all 170 of its work-force.  
Concluded

## ne fit for a city's m art collection

people visit art gal-  
l museums in Glasgow  
than go to football  
according to Mr  
alden, who directs the  
gallery and museum

### Regional report

Ronald Faux  
Glasgow

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more kind to tapestry and the advances in air conditioning systems persuaded the trustees to relax the 16-mile rule and set up a beautiful wooded site in Potlusk Park.  
Mr Walden thought the building would be one of the most important museums to open this century. The design is modest, compared with other museum buildings in the city, which are massive structures in the nineteenth-century manner that might almost have been designed to crush the impact of the collections they contain.  
The new museum, which will cost £1m a year to run, will have three rooms that replicate rooms at Hutton Castle, near Berwick-on-Tweed, Sir William's old home.  
One wall, glazed from floor to ceiling, will open directly on to the woodshed. Galleries running in parallel to the spine of the building are to contain the bulk of the collection. A large auditorium, library, studies for scholars and a place for restoring stained glass and tapestries are included. The building is due for completion in 1982.  
Mr William Wells, keeper of the Burrell collection for the past 22 years, will retire soon after the first turf has been cut. He has been the person best able to admire the collection, as he identified the unlabelled works of art with the notes in Sir William's exercise books.  
He has grown quite defensive about the elderly millionaire. "He was very alert in spite of his years and had quite a sense of humour", he says. "The dealers did not like him because he loved to haggle and his interest was so broad that they classed him as a non-specialist."  
But whether he had a deep appreciation of the aesthetic quality of the works he bought or whether he was simply a millionaire who enjoyed a bargain the world will probably never know.

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## Praise for woman who foiled payroll robbery

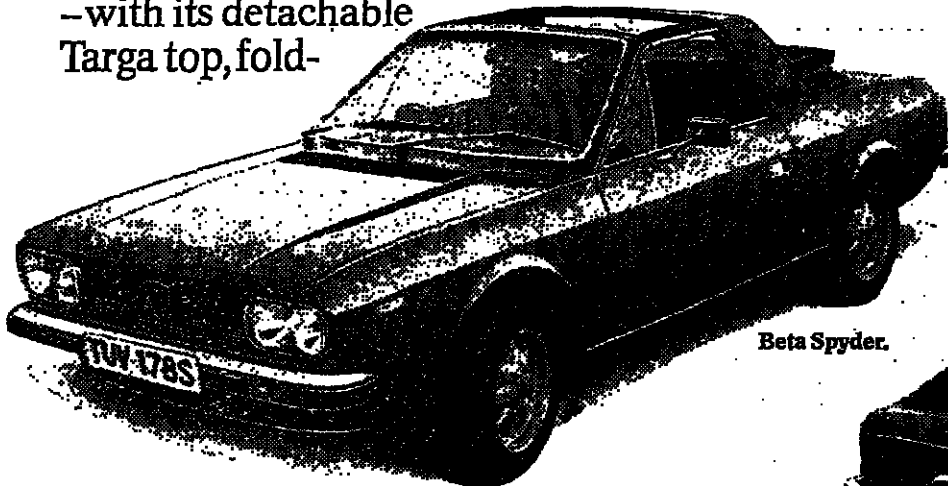
From Our Correspondent Wigan  
Mrs Shirley Aspinall, a company secretary, driving to her employer's factory with a £1,700 pay roll, was praised by Judge Sellers at Preston Crown Court, Lancashire, yesterday, for the way she foiled a robbery.  
She hit her attacker, to whom she had given a lift, with a barbecued chicken, snatched her car near a group of workmen and said "Get this maniac out".  
The judge, after hearing how her attacker fled, leaving behind an imitation revolver loaded with imitation ammunition, said: "This lady is to be praised for the cool, calm way she behaved when no doubt she was terrified."  
Sean Stott, aged 23, of Dale Street, Accrington, pleaded guilty to assault with intent to rob and was jailed for six years.  
Of the weapon, the judge added: "I am surprised that such instruments are on sale to the public. Anyone who knows about guns would believe it to be real."

## Doctor for trial

Malani Rai, aged 28, a woman doctor, accused of killing Steven Burrows, aged four, of Sully, Cardiff, was sent for trial to Cardiff Crown Court by Cardiff magistrates yesterday. She was granted bail.

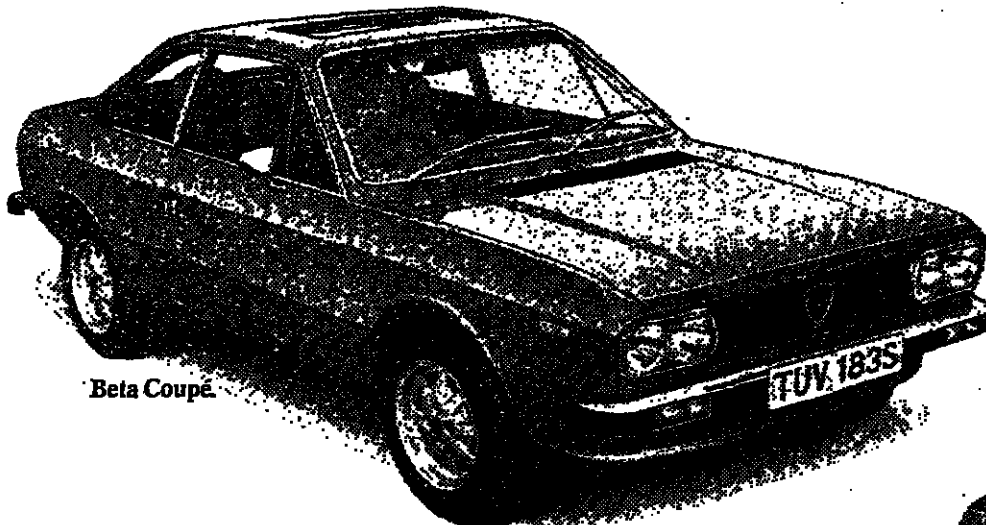
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Beta Spyder.

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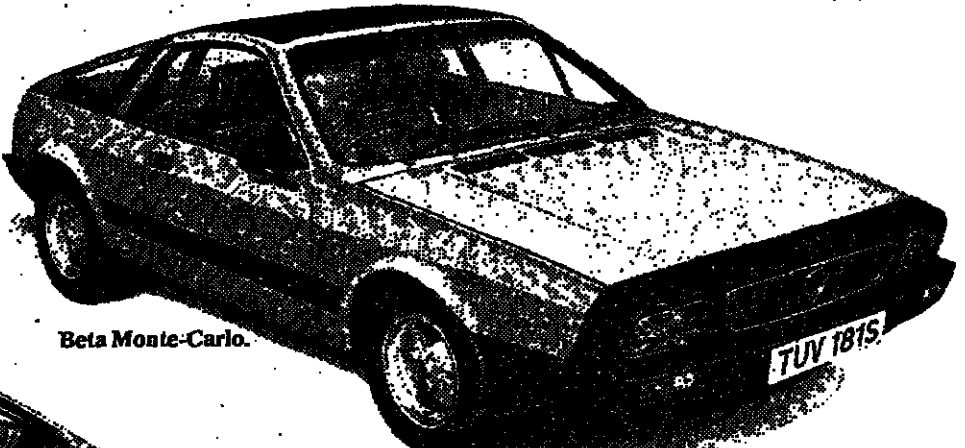
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Beta HPE.

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## WEST EUROPE

## Rebels hold out threat of Schmidt defeat

From Our Own Correspondent Bonn, Feb 13

Social Democratic leaders and deputies were struggling today to avert a defeat for the Government over its anti-terrorist measures in the Bundestag on Thursday.

Less than a week ago, Herr Schmidt, the Chancellor, attempted to give his crisis-battered Government a new start with a Cabinet reshuffle. The trouble this time is coming from a small group of rebellious left-wingers inside the Social Democratic Party who are threatening to defect and let the Government be beaten on the new measures.

The shroud core of the group 'only numbers between five or eight, but since only five votes are needed to defeat the Government in the Bundestag the group has a power of persuasion—its critics say blackmail—out of proportion to its size.

It has used this power to make the Government water down legislation it did not like and last autumn a controversial Bill was passed only because the Opposition voted in favour. The groups activities have brought charges from the Opposition that Herr Schmidt is running a minority government and that he is subject to blackmail from the left. The tactics hurt particularly in a year which will see election campaigns in four Länder.

Pressure from the left wing has made the coalition water down its package of measures to combat terrorism, and its presentation to Parliament has already been postponed once for fear of further trouble.

Now the vote has been set for Thursday—the same day as the new Cabinet ministers will take their oath—and the left-wingers have let it be known that they are not prepared to vote for the laws in their present form.

Chancellor officials say that if the coalition were defeated Herr Schmidt might call a vote of confidence to be followed, if necessary, by his resignation.

Meanwhile, party members are feverishly discussing possible changes to the measures which might hardly seem draconian and have been dismissed by the Opposition as totally inadequate.



Frau Kappler at the graveside of her husband, buried with a Nazi salute.

## Nazi salute at funeral of Kappler

From Patricia Clough Bonn, Feb 13

A former comrade gave the Nazi salute by the graveside as SS Colonel Herbert Kappler, who escaped from life imprisonment in Italy last summer, was buried today in Soltau, north Germany.

About 15 youths, belonging to an anti-fascist group,

whistled in derision and tapped their foreheads in the sign for insanity. But the man went on to bid farewell to Kappler "in the name of countless comrades of the Greater German Wehrmacht". The funeral, in a heavily guarded cemetery, was attended by about 700 people, many of them local inhabitants who had not known Kappler personally. A quizzical, singer and an organ provided music. Catholic and Protestant clergymen told the crowd that Colonel Kappler had wanted reconciliation with the world, but had received only hatred.

The former police chief in Rome was sentenced to life

imprisonment in Italy in 1948 for the repatriation of 335 Italian civilians during the German occupation. Gravely ill with cancer, he was smuggled out of hospital in Rome by his wife, Anneliese, whom he had married in jail in 1952. She brought him secretly to Germany to die.

The escape and the West German Government's somewhat lukewarm condemnation of it threw a shadow over West German-Italian relations for several months. Many Italians found it difficult to understand that West German law forbids the extradition of German nationals to other countries.

## Poll boosts fortunes of French majority

From Ian Murray Paris, Feb 13

One of the last real polls before the general elections has given the Government majority a much needed fillip. In municipal elections at Issy-les-Moulineaux, on the outskirts of Paris, yesterday the coalition not only held on to the town but increased its share of the vote.

The election was necessitated by the death of the Mayor, who had been elected to the Council of the City of Paris. The coalition candidates did not have the necessary residential qualifications to stand.

The candidate, Mme Christine Lagarde (better known as the French swimming champion Kiki Caron), had been put on the coalition list to emphasize interest in sport. Having now gained her neces-

sary residential qualifications, she was able to stand again. Last March, the coalition list won by a mere 44 votes, representing 50.1 per cent of the vote. The left got 47.28 per cent of the vote.

This time the coalition's share of the poll rose to 52.7 per cent compared to 46.32 for the left, giving them a majority of 997 votes. There was a 68 per cent poll compared to 74 per cent last year.

Issy is an industrial area where many Renault factory workers live and the Assembly member for the constituency is M Guy Dacque, a communist, who headed the list of the left in the municipal elections.

His majority in the last legislative elections in 1973 was a comfortable 4,500, but his failure to win municipal office

means that the coalition will now nominate a senior candidate in an attempt to secure the seat.

Today is the first of seven days set aside under the constitution for prospective candidates to register. Each candidate has to put forward a declaration giving his or her name, date and place of birth, address and profession and the same details for the chosen substitute candidate.

These declarations, which have to be lodged in duplicate with the prefecture of each department, must also carry the name of the candidate's party. A deposit of 1,000 francs (over £100) has to be paid with the declaration.

Meanwhile, M Maurice Delaunay, the French Ambassador to Gabon, has been

## Corsican blasts seen as election message

From Our Own Correspondent Paris, Feb 13

Seven explosions in Corsica over the weekend, which caused considerable damage, are seen as part of the build-up by militant autonomist groups for the French elections.

Although no one has yet claimed responsibility most of the targets were offices of mainland companies with building interests on the island.

The principal political separatist group, the Union du Peuple Corse, agreed yesterday not to present any candidates for the elections, but in the words of their leader, Dr Edmond Simeoni, to denounce the "evil actions of the heads of the parties".

They made it clear Government candidates would get no support. The left offered a "little hope". An Ecologist candidate in Bastia has attracted some support with his strong criticism of siding with non-Corsican business concerns.

Explosives found: Police said a 24lb bomb was discovered last night at the unoccupied home in Ajaccio, of a former President of the French Senate.

The unexploded device was found at the villa of M Gaston Monnerville, M Monnerville, aged 82, a former Resistance hero, was President of the Senate from 1958 to 1968.—Reuter.

## OVERSEAS

## Mr Begin says Israel still wants United States to mediate between Cairo and Jerusalem

From Michael Krippe Jerusalem, Feb 13

Despite the Israeli Cabinet's angry outburst against Washington yesterday, Mr Begin, the Israeli Prime Minister, made it clear today that he wants American mediation in negotiations for a Middle East settlement.

He said he expected Mr Aheron, the American Assistant Secretary of State, to resume his shuttle between Cairo and Jerusalem next week. The American envoy would be welcomed in Jerusalem, the Israeli leader said.

The Government here admits, however, that the atmosphere could be somewhat strained after the blunt assertion last Friday by Mr Vance, the Secretary of State, that Israel's settlements in occupied Arab territory are illegal and must be removed, and that a Palestinian homeland must be created.

The Israeli Cabinet responded yesterday by accusing the United States of siding with Egypt and contradicting its earlier attitude.

Mr Begin, who was speaking informally to reporters today, repeated Israel's intention of retaining its settlements in the occupied territory. He noted that the only political party prepared to dismantle them was the Communist Party, which

had only five seats in the Knesset (Parliament). A Government spokesman rejected the suggestion that it was inconsistent of Israel to complain about the United States siding with Egypt while, at the same time, claiming the Carter Administration's moral support for its own proposals.

The spokesman repeated that Israel had made a big concession by agreeing to return the Sinai to Egyptian sovereignty. He said the Israeli insistence on retaining its settlements in Sinai was a negation of that sovereignty. The Cabinet, he said, had made its hard-line statement yesterday because it was convinced that it was on solid ground.

The spokesman agreed that the American policies expressed by Mr Vance were not new, but said that by voicing them now while negotiations were under way, the United States was encouraging Egypt to be uncompromising.

Government sources have complained that Mr Vance's statement was undiplomatic, pointing out that previous American assertions of illegality had not necessarily implied removing the settlements. It is argued that Washington has never recognized the legality of Jordan's annexation of the West Bank in 1948, but that it was accepted as a fact and no

physical change was demanded. One view here is that the United States is adopting more forceful stand in the negotiations.

New York: Israel fears if the United States will put pressure on it to make concessions after concession in the Middle East peace negotiations, Moshe Dayan, the Israeli Foreign Minister, said there.

Speaking at a dinner last night attended by 450 leaders of the New York Jewish community, Mr Dayan said: "I accept the American mediation and want it, without it we can keep the peace. Still, the final analysis, one distinction must be drawn. The are things the only the Israel Government can do. We are responsible for our live.

Israel would not interfere with Palestinians on the West Bank once they were granted self-rule, but Israel had the same rights as any Bedouin Arabs to settle there once it happened, he said. Mr Dayan said he was in Jerusalem to discuss the positions there for its own part.

Mr Dayan is on a 10-day visit to the United States aimed at countering the impression of a "peace offensive" by Egyptian President Sadat. He is to meet Mr Vance Thursday.—Reuter.

## Blessing of Pope on Sadat peace initiative

Continued from page 1

Jews all over the world approving his peace initiative, and he was convinced that the psychological gulf which separated Egypt and Israel for 50 years or more had been overcome.

"But so far this has not led the Israeli Government to abandon its old conceptions, as I had hoped after my visit to Jerusalem," he did not contemplate any more exchanges of letters with Mr Begin. Such visits would take place only after a decisive change in the Israeli attitude, when the gulf between Israel and Egypt had been bridged.

The Egyptian leader said that the two main problems were self-determination for the Palestinians, and the Jewish settlements in the occupied territories "which have been condemned by the whole United Nations".

Egypt and Israel should first agree on a declaration of principle, then negotiations could be resumed. Once this declaration had been achieved King Hussein must join in preparations for the Israeli withdrawal from the left bank of the Jordan. "King Hussein backed my initiative in visiting Jerusalem," he added.

President Sadat described as "ridiculous" suggestions that Egypt had forgotten the recent troubles in Lebanon. "We shall never accept that Lebanon should be under the domination of any foreign country, or that any part of its territory be detached," he declared.

The joint statement issued after yesterday's talks at the Elysée stated that France and Egypt agreed on the principle of a preparatory meeting of all the parties to the Middle East conflict, including the Soviet Union, the United States and the Arab countries of the anti-Sadat camp, prior to the resumption of the Geneva talks.

The meeting might take place in Cairo, under United Nations auspices, as suggested by Dr Waldheim, the Secretary-General.

President Sadat wound up his eight-day tour and flew home today, after five hours of talks with Italian leaders.

He said that at their 45-minute meeting the Pope "was so kind really to express his blessing and support for my peace initiative".

## PLO chief pleads for firmer British stand

By Edward Mortimer

Mr Yasser Arafat, chairman of the Palestine Liberation Organisation (PLO), yesterday called on Britain to take a firmer stand on the Middle East conflict.

The call was made in a message to a meeting in London commemorating Said Hammami, the PLO's London representative murdered here on January 4.

Mr Arafat, said Mr Hammami had been "a man of peace", who hated violence and injustice, but was nevertheless "a revolutionary fighter, a brave soldier and commander".

He went on to say that the Palestinian cause was a just one, and that the British Government had a duty to support it. "Successive British governments gave us, in the 20s and 30s, solemn assurances that our national rights would in no way be harmed by the special relationship with Britain because of past history."

"The Palestinians, therefore, felt that Britain should now be 'more forthright and forthcoming' on the Middle East problem and take a firmer stand in support of settlement on the basis of the United Nations' resolutions on the Middle East conflict and the Palestinian question."

That call was echoed in an address by Sir Anthony Nutting, who resigned as a Conservative minister during the 1956 Suez crisis.

Dr Isam Sartawi, the central figure in the controversial talks between the PLO and Israeli oppositionists in 1976 and 1977, portrayed Mr Hammami as a man who had played an important part in developing the Palestinian identity and as the

"leading courageous person who took the step of talking to Israel." He emphasized Mr Hammami's overriding concern: take practical steps to liberate the Palestinians living in Israeli occupation.

Mr Shafiq al-Hout, the PLO's representative in Lebanon, said he was in London differently from Dr Sartawi. Hammami had merely "what every Palestinian in refugee camps believes in: words which can be understood by the Western mind."

Earlier Mr Christopher Hew, vice-chairman of the Council for the Advancement of British Understanding, said Mr Hammami had demanded justice for his people but like Jesus Christ, that justice should go hand in hand with reconciliation.

"The reward of peace is not the price, but the goal," he said. "The reward of peace is not the price, but the goal."

Damascus: Palestinian last night reaffirmed their determination to continue opposition to President Sadat's peace pact and to maintain the struggle against Israel.

A statement, pleading was issued here following late-night session by the Palestine Central Council (PNC) under Mr Khalid al-Fahou, speaker of the PLO National Council (PNC).

The meeting of the PNC which the PLO was attending Mr Arafat, it was announced, endorsed the resolutions adopted at the recent Arab summit meetings at Tripoli and Algiers.—Reuter.

## Seven killed as trains collide outside Cairo

Cairo, Feb 13.—Seven people were killed and 23 injured today in a train crash south-east of here, the police said. The casualties were caused when an electric train bringing commuters from the industrial suburb of Helwan left the rails and collided with a train travelling from Cairo.

It was the second accident in a month on the line that runs between Cairo and the affluent suburb of Maadi. Nineteen people were injured in the previous one.—Reuter.

## Alexandria court jails members of Muslim group

Cairo, Feb 13.—A general security court in Alexandria today sentenced 26 people to prison terms of between one and 15 years hard labour after finding them guilty of setting up an underground Muslim group opposed to President Sadat's Government.

The defendants were charged with establishing a clandestine "holy war" against the state.—UPI.

## Artillery battle in South Lebanon

Beirut, Feb 13.—Mr Yasser Arafat's Palestinian guerrillas claimed today they fought a seven-hour artillery battle with Israeli-backed Christian forces in south Lebanon today.

In Beirut, Christians and Syrian forces of the Arab League peace-keeping force maintained their third day of peace after brutal fighting last week that officials said, left 150 killed and 339 wounded.

Meanwhile, the Government of President Sarkis drafted an urgent bill to form a five-member mixed tribunal to try those

responsible for the Syrian-Christians conflict.

A joint investigating commission interrogated a dozen Syrian and Lebanese officers and soldiers in connection with a dispute last Tuesday that touched off Lebanon's worst civil war since the end of the civil war 15 months ago.

The dispute stemmed from objections by Lebanese regular officers to stationing a Syrian peace-keeping checkpoint near their barracks at Faydith, three miles east of Beirut.

An official announcement said the investigating committee had made no progress in reaching the agreement on the mixed tribunal.

Metallurg, Israel: Shelling fighting in southern Lebanon were heard in northern Lebanon today.

A girl was reported to have been killed in a South Lebanon village and three women people were brought to Israeli first-aid post on border.

The fighting apparently involved artillery, tanks, missiles and machine-guns.—Reuter.

## Winds batter Australia-bound Tiger Moth

Athens, Feb 13.—Flight Lieutenant David Cyster, of Britain, trying to emulate the flight 50 years ago, landed his Tiger Moth at Athens airport today, his second stop in Greece because of bad weather.

He arrived from Corfu where he had been grounded for two days because of bad weather.

"I do not like the Mediterranean weather. It was very rough today with strong headwinds and turbulence," he told reporters. "It was too much for the poor plane." Winds of 20 knots were blowing when the open cockpit biplane touched down at Athens.—Reuter.

## Canada to send Russia bill for finding space debris

New York, Feb 13.—Canada will ask the Soviet Union to pay well over \$1m (£500,000) as the cost of recovering radioactive debris from a Soviet nuclear-powered satellite, Mr Donald Jamieson, the Minister of External Affairs, said today.

At the same time, he said Canada would demand that the United Nations adopt "a stronger regime" to prevent such satellite accidents as the disintegration of a nuclear-powered Soviet craft over northern Canada last month.

Mr Jamieson said his Government had concluded officially that the radioactive material objects found in the Northwest Territories were "indeed debris

from a Russian satellite". He had informed the Soviet Union and Mr Kurt Waldheim, the Secretary-General of the United Nations.

Since Cosmos 954, the satellite, fell from orbit January 24, Canadian American search teams have been combing an area 10,000 square miles for debris and radiation sources. Canada's claim for reimbursement would be the first test of a little known United Nations treaty that obliges a state pay for the expenses in finding wreckage from fallen satellite.

—AP.

## San Marino's parliament, split 30-30, looking for the one vote to approve its dissolution

## Oldest republic still learning about politics

From Peter Nichols San Marino, Feb 13

Within a matter of days, the republic of San Marino will witness a political miracle or reluctantly hold a general election.

This is the meaning of the statement issued by the Captains-Regent, the two joint heads of state, calling for a decision within this week on a date for convening the Grand and General Council, the Parliament which alone has the power to dissolve itself.

But the council is in deadlock. The Government resigned in November and no successor has been found because the House is divided equally between 30 conservatives on one side and 30 left-wing members on the other including the socialists who brought down the last coalition government by ending their alliance with the Christian Democrats.

The question is: what conditions will the left accept to provide the vote necessary to approve a dissolution.

San Marino is proud of its claim to being not only the smallest but also the oldest republic in the world, tracing its origins to the community founded on Mount Titano by a victim of Dante's persecutions. But despite its 16 centuries of accumulated wisdom it has reached a similar political impasse as its neighbour, Italy.

The Christian Democrats, as

in Italy, are the largest party and have held power with an assortment of allies for 20 years, ever since the Italians and the Americans helped them take over from the Communists coalition then in office.

The present clash is not simply between conservatives and the left. The whole concept of democracy in a modern state is involved.

Women have the vote and can be elected to the council. The Secretary of State for the Interior in the outgoing government, Signora Clara Boscaglia, was the first woman to hold a ministerial post. At 18 there is the claim to be the youngest of full male employment is now enshrined in law. A man losing his job in agriculture or industry has the right to be employed by the state (which naturally enough is the biggest employer, with 1,500 employees).

Plenty of problems remain. Young people cannot find work, but so far law and order is not an issue. Two men are in prison accused of murder, but they are allowed out to work, for which they are paid, and were sent home for Christmas with the family.

The Christian Democrats do not regard the situation as in any way grave. Signora Boscaglia points out that nearly half the population is working of whom more than a third are women.

The Communists, however, maintain that the country is facing a serious crisis, as do the Socialists, on the grounds that youth is without guidance, that the old institutions need updating to date and that the state is suffering the effects of the economic crisis.

At the head of the Socialists is Signor Renzo Giacomini, son of the inspirer of the left in the turbulent days of 1957. He says he allied his party with the Christian Democrats with a certain tacit consent from the Communists. He intended this alliance to be the intermediary step leading to a government which would count on the support of all three leading parties.

In the past few weeks he has tried to form a government by reversing the usual approach: he devised a programme and then sought political support in the Christian Democrats, but he did not get it.

The Communists are more heavily in favour of a wide consensus including themselves, but the Christian Democrats will hear nothing of it. They are flexible than the Italian Christian Democrats, they will not accept alliance with the Communists in any form: in government, in a parliamentary majority or contributing to a programme.

They believe in the old fashioned virtue of clarity and a distinction between Government and Opposition. Just as in Italy, they are unlikely to get either.

## Britain accepts need for wine market supports

From Michael Hornsby Paris, Feb 13

EEC agriculture ministers today gave a first hearing to European Commission proposals for supporting the wine market, including the introduction of floor prices in the event of a severe crisis caused by overcapacity and falling prices.

Mr John Silkin, the Minister of Agriculture, said Britain accepted the need for some immediate relief in the short-term while waiting for longer-term structural reforms of the wine industry to show results.

He would need to be certain, however, that what were being proposed were temporary measures, and not a disguised form of permanent intervention on the wine market likely to increase surpluses and raise prices.

The commission's proposals are designed mainly to meet the concerns of the French who have long been pressing for action to protect their table wine industry against cheap imports from Spain and Portugal when they enter the Community.

The issue is particularly sensitive at the moment because of next month's general election in France. It is thought that the agricultural vote could play a significant role in determining the fate of the present governing majority at the polls.

## EEC negotiating new accord with Yugoslavia

From Our Own Correspondent Brussels, Feb 13

The EEC and Yugoslavia today opened negotiations on a new five-year agreement on trade and economic cooperation intended to "strengthen, deepen and diversify" their relations.

With President Tito advancing in age, the Nine want to help reinforce Yugoslavia's internal stability and preserve its non-aligned international status. The new agreement would replace existing trade pacts, which expire later this year, and would aim to go beyond purely commercial relations to cover financial, industrial and agricultural cooperation.

Among other things, the EEC want Yugoslavia to produce industrial goods for which there is Community demand. The Yugoslavs want to reduce their £1.425m trade deficit with the EEC.

## Spain appoints Minister for EEC relations

From Our Correspondent Madrid, Feb 13

Senior Leopoldo Calvo Sotelo was sworn in before King Juan Carlos today as Minister for Relations with the European Community, a new post to deal with Spain's proposed entry into the EEC.

Senior Calvo Sotelo was Commerce Minister in the first Suarez Government and Public Works Minister in the second.

## 'La Pasionaria' leaves hospital

Madrid, Feb 13.—Señora Dolores Ibarruri ("La Pasionaria"), the 82-year-old president of the Spanish Communist Party, left hospital today after receiving a new heart pacemaker last week.

It was her second operation in five months.—Reuter.

## Spanish leftist party fined for illegal demonstration

From Our Correspondent Madrid, Feb 13

The Madrid civil governor has fined the Revolutionary Workers' Organization, an extreme left-wing party, 500,000 pesetas (£3,225) for taking part in an illegal demonstration last Tuesday, it was reported here today.

This was the first fine imposed on a legal political party since the June general elections.

A spokesman for the party told The Times that they would certainly not pay the fine and that the way in which

the Authorities reacted to this would create a precedent for the activities of all political parties.

The demonstration over dismissals from a firm in the capital's working class suburb of Getafe was staged by the Revolutionary Workers' Organization, but the Spanish Workers' Socialist Party and the Popular Socialist Party also took part in it. No fines have yet been imposed on these parties which, unlike the Revolutionary Workers' Organization, won seats in the general elections.

## Earthquake victims' homes collapse

Rome, Feb 13.—Many prefabricated homes, housing victims of the 1976 Friuli earthquake in Northern Italy, collapsed under weight of snow yesterday, leaving scores of people homeless again.

## Bingo halls in Madrid closed for cheating

Madrid, Feb 13.—Senior Juan José Ronson, the civil governor, today closed 49 of Madrid's 58 bingo clubs, which were made legal last June, for alleged cheating and other irregularities, including the use of minors.—Reuter.

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## Three jailed as spies for East Germany

Stuttgart, Feb 13.—A West German court today convicted a married couple and a former employee of an optics firm of being East German spies.

Hubert Obieglo, aged 48, his wife Johanna, aged 35, and Erich Klopffelsch, aged 47, were each sentenced to three years in prison.

According to the indictment, Klopffelsch in May 1976, gave Herr Obieglo 58 photographs of the "Orion 80", a homing device developed by the Zeiss optical company for a new West German Army tank—UPI.

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# Israel still in immediate danger and Jerusalem under threat as Carter statement imminent as withdrawal from talks creates mood of crisis on Namibia

Nicholas Ashford, the Prime Minister, said that the Prime Minister would make an important statement on the subject of the South African withdrawal from Namibia after the South African representative's withdrawal from the talks in New York involving the ministers of five powers.

He said that the South African representative would be in New York for a Cabinet meeting on Monday.

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Increasingly likely that if the South African Government now rejects the latest Western settlement proposals, it will go ahead with its own plans to grant Namibia independence this year.

This would have serious consequences for South Africa.

First, it would mean a greater military involvement in Namibia, where there are already an estimated 20,000 South African troops to counter guerrillas from the South-West Africa People's Organization (SWAPO).

It is also expected that Mr Botha will visit Windhoek soon to advise the various internal political organizations there of the latest developments and to consult with Mr Justice Snyen, the South African-appointed Administrator-General for the territory.

Three main objections to the West's proposals for Namibian settlement caused Mr Botha's hasty withdrawal from the New York talks.

The first related to the Western suggestion that South African troops in Namibia be reduced to 1,500, confined to two base camps.

## Dom for compromise Rhodesia talks

Richard Cleary, the Prime Minister, said that the Prime Minister would make an important statement on the subject of the South African withdrawal from Namibia after the South African representative's withdrawal from the talks in New York involving the ministers of five powers.

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any agreement without the bishop's signature was "crazy".

Political observers believe that an agreement between the UANC and the other three delegations revolves round a gap of eight seats being elected on a common or separate roll, combined moves might prove practicable.

A government source pointed out at the weekend that the bishop had at least committed himself to 20 seats.

## Church visit 'breach' of S Africa ban

From Our Own Correspondent

Cape Town, Feb 13

A banned Methodist clergyman has been charged with breaching his restriction order by attending a church service at which he preached a sermon.

The Rev. Theo Kotze, former Cape regional director of the now banned Christian Institute, is due to appear in court on February 23.

If the authorities decide to proceed with the charges, it could lead to a serious confrontation between church and state.



Soviet-built T54 tanks captured from Somali forces in the Ogaden fighting displayed at Dire Dawa by the Ethiopians.

## Women answer call for Somali volunteer army

From Charles Harrison

Nairobi, Feb 13

Somali officials said in Mogadishu today that tens of thousands of Somalis had already volunteered after the declaration of an emergency last week, and the announcement that regular Somali forces were being committed to the war in the Ogaden.

The volunteers began training today, 3,000 of them in one camp at Halane, on the outskirts of Mogadishu. Reporters saw 500 marching across the parade-ground, while other groups trained with Soviet-made rifles and with a twin-barrelled anti-aircraft gun.

Abdullahi Nur, said 30,000 people, aged from 15, had already volunteered in the Mogadishu area, and the response had been equally good elsewhere.

"The main priority is to defend our national frontiers but if it becomes necessary, they will be sent to the Ogaden," he said. "The land belongs to the freedom fighters and they will fight to the last man."

Most of the volunteers have already received some military training because school leavers have been required for several years to undergo three to six months national service.

He described last week's call by Mr Vance, the United States Secretary of State, for Somalia to withdraw from the Ogaden as unrealistic. "He has called for the Somalis to withdraw from their own territory," he said.

He said Mr Vance's call for the Russians and Cubans to withdraw was understandable. But the Somalis could not withdraw from the Ogaden.

Correspondents who have visited the southern part of the Ogaden said the guerrillas were in control everywhere. There was no sign of the fighting taking place further north. People in the area declared that they would never allow the Ethiopians to return.

The main fighting in the north is reported to be between Harer and Jijiga, and north along the railway from Dire Dawa to the Djibouti border.

## Ugandan search of bishop's residence

From Our Correspondent

Nairobi, Feb 13

Ugandan soldiers surrounded and searched the residence of the Roman Catholic Bishop of Masaka, 80 miles west of Kampala, and nearby diocesan offices. They are reported to have been looking for arms, but found nothing, and the bishop, Mgr Adrian Dunga, was not arrested.

However, a school headmaster and several parish priests in the area were taken to the Masaka army barracks, and were only released after the Archbishop of Uganda, Cardinal Nsubuga, paid a call on President Amin in Kampala seeking an explanation. President Amin told the cardinal he had not been informed of the arrests.

Witnesses said the soldiers arrived at the Masaka diocesan headquarters at 7 am on February 3 and guarded all the entrances. The church bells were rung to raise the alarm, but were quickly silenced by the troops, who held a number of priests and laymen in the cathedral while the search was carried out.

Last November an unknown number of Christians were killed in the Masaka area after a prominent Muslim businessman had been murdered. There were fears at the time for Mgr Dunga, but he was not arrested.

Today the Uganda Government invited members of the foreign relations committee of the United States House of Representatives to visit Uganda to see conditions for themselves. A telegram sent by the Foreign Ministry in Kampala said that the committee, which has been discussing conditions in Uganda, should not be misled by "unreliable propaganda" of Ugandan exiles.

Uganda would be glad to receive a delegation, which would see the peace and tranquility that exists there, the telegram added.

## st at girl's er ts Karachi

Feb 13.—Thousands of people gathered in Karachi today for the second day of a protest against the killing of a girl.

The protesters, who were mostly women, carried banners and sang songs. They demanded that the government take action against those responsible for the killing.

## Britain makes concessions in Concorde talks

From Our Correspondent

Kuala Lumpur, Feb 13

The talks between Britain and Malaysia resumed today on Malaysia's ban on Concorde and the British are understood to have made some concessions.

Neither side, though, was prepared to comment on how the talks went. Malaysian sources said the talks have moved away from the environmental issues which Kuala Lumpur used to ban the Concorde over-flights.

## Election called in Kelantan after direct rule ends

From Our Correspondent

Kuala Lumpur, Feb 13

The Sultan of Kelantan today dissolved the state assembly, a day after the federal Government unexpectedly lifted the emergency rule imposed on the state in November. An election has to be held within 60 days.

Daruk Hasi Muhammad bin Nasir, the Chief Minister, whose defeat when his own party voted against him on a confidence motion in the state assembly precipitated the present crisis, will remain in a caretaker role until after the election.

## Turkey to pursue new policy on defence

Ankara, Feb 13.—Mr Ecevit, the Turkish Prime Minister, said here today that Turkey's Nato membership was not enough to meet his country's defence requirements. It was necessary to create a new defence concept and policy.

Speaking at a meeting of the high military commission, an advisory body consisting of armed forces chiefs and members of the Cabinet, Mr Ecevit said the new policy would not conflict with membership of the alliance.

## Protest by Greece on US report

From Mario Modiano

Athens, Feb 13

The Greek Government has protested to the United States over an official report that alleged human rights violations in the Muslim minority in Greece are widespread.

Mr Panayotis Papaligouras, the Foreign Minister, said: "President Carter's report to Congress on human rights contains, as regards our area, erroneous evaluations for which the appropriate representations were made and the necessary action was taken."

## Troops protect Commonwealth leaders

Sydney, Feb 13.—Troops were called out today to protect Commonwealth leaders from Asia and the Pacific after a bomb blast a few hours before the opening of political and economic talks here.

The blast early today outside the Hilton Hotel, where the heads of governments are staying, killed two people and wounded nine others.

Despite the shock that it produced the talks between the 12 leaders opened as scheduled after they had condemned the attack as a senseless act of violence.

## Hanoi officer tells of Cambodia conquest plans

Bangkok, Feb 13.—Phnom Penh radio today presented the deputy commander of a Vietnamese regiment, allegedly captured while spying in Cambodia waters on January 18.

Commander Tran Van Huong, aged 34, was reported as saying that the Vietnamese plan to integrate it in a Vietnamese-led Indo-China federation was an old Vietnamese plan.

"In July, 1972, I was called to a course in Hanoi, Lieutenant-Colonel Khoi explained that Laos, Cambodia and Vietnam were brother nations which should be united in a federation of Indo-Chinese people. He said we should fight to achieve this federation as Vietnam was now a powerful country in South-East Asia."

## Shop stoned for opening during Nicaragua strike

Managua, Feb 13.—One person was killed and two others were injured last night in the city of Granada in the most serious of continuing clashes in Nicaragua, where a general strike and widespread demonstrations have been going on for more than two weeks against the regime of President Anastasio Somoza.

The Army, whose loyalty has so far protected the 45-year Somoza family regime, said the clash in Granada occurred when "rebels" attacked a military parade.

In Managua last night groups of youths threw stones at shops that had withdrawn from the general strike by reopening.—Agence France-Presse.

## stater vote 90pc

Feb 13.—General Stroessner was re-elected to his sixth term as president of Paraguay by an overwhelming majority in yesterday's election, according to official results.

Ramon Chaves, the General Stroessner's party, said last night 61 of the 93,547 votes were for Stroessner and his party. There were no other candidates.—Reuters.

## Chinese Army newspaper calls for thorough purge

Peking, Feb 13.—The newspaper Liberation Army Daily today called strongly for a thorough purge of the Army at all levels.

The article, which was also carried on the front page of the party organ, the People's Daily, revealed some resistance to the purge campaign. It used exceptionally strong language to advocate the elimination of all remaining high-ranking cadres who opposed the modernization of national defence.

## Indus water for poor district of Pakistan

From Hasan Akhtar

Rawalpindi

After a delay of nearly seven years, the Pakistan Government is ready to start work on an irrigation project in the North-West Frontier Province (NWFP), one of the most backward areas of the country.

It is the poorest of the four provinces of Pakistan, and its largest district, Dera Ismail Khan, suffers the most misery. Though situated along the west bank of the Indus, extending over 1,000 miles and containing an estimated 1,300,000 acres of fertile plain land, the district has suffered for centuries because of inadequate irrigation.

## Third World Report

Political and other vested interests have also played a role in causing the district's problems.

Now a commission with the Supreme Court chief justice as its chairman and chief justices of the four provincial high courts has been set up to resolve the long dispute among the provinces.

While the political squabbles linger on, the Government has realized that the Chashma right-bank irrigation project, planned originally in 1970, now must be pushed through.

## Chinese Army newspaper calls for thorough purge

The article emphasized the need to eradicate the influence of the Army of Lin Biao, the disgraced former Defence Minister, and the "gang of four".

"The Army is the main instrument of the dictatorship of the proletariat and must therefore be rendered politically, ideologically and administratively pure," it said.

It called for further inquiries into persons and events connected with the "gang of four". "Files must not be closed until quite conclusively settled," it said.

## Chinese Army newspaper calls for thorough purge

Most observers felt the call for isolation of the "tiny group" of radicals in the Army was aimed at the upper ranks. The article said the purge was essential so that worthy successors of the revolution can take up responsible positions at all levels.—Agence France-Presse.

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that a large and constantly increasing proportion of coloured people in this country were born here. British citizens with all the rights and obligations of citizenship, and are not going to have their status or domicile changed by any drastic government action.

I would have her say fifth that a Tory government would launch a massive campaign of urban renewal, based on sound economic principles (chiefly the encouragement of self-help) and would have her say sixth the unemployment, bad housing, and the tax-cost of social security are not the fault of coloured people but of rotten economic policies which a Tory government would abandon.

I would have her say seventh that white people in areas where there are many coloured people, and the coloured people themselves, should vote Conservative at the next election, and that it is much to be gained by doing so, and much to lose by keeping the present Government in office.

© Times Newspapers Ltd. 1978.

sions and compromises were chiefly caused by inflation and recession." Social Democrats have done in times of depression what the world wide recession and balance of payments crises. So rarely Mr Jenkins's civilized reply. Yet the Social Democrats had already crumbled in 1969 on the issue of industrial relations long before a depression was long before a depression. And Social Democrats must be a fragile craft if it can only put to sea in the calmest weather. All in all, then, Mr Jenkins's argument was more a plea in mitigation than a plea of not guilty.

Apart from the reviews, there was a "reply" to me from Mr Hattersley in the *Sunday Times*, and there has been a recent pronouncement from the Labour Party on the subject of ambition. Both men are highly ambitious, but the politicians are not. If Social Democrats are to have intellectual validity it must be discernible in their contributions.

Yet Mr Roy Hattersley's "answer" was a Wilsonian exercise in evasion, and when

The publication last autumn of Sir Ian Gilmour's book *Inside Right—A Study of Conservatism* (Hutchinson, £5.95) stimulated a long and lively debate. In this article he answers critics of his views on social democracy. In a second article tomorrow Sir Ian returns to another theme in his book—Conservative ideology

ate for a doctor of divinity that for an ambitious politician.

"The essential value of socialism," he told us, "is altruism." Even if we value it as a tribute to the values so that the sentence at least makes sense, it is not easy to import much meaning in those words. Altruism is a noticeably prevalent socialist countries; nor do socialism seem to be the dominant factor in the formation of the present British Cabinet. Less cautiously, if scarcely more grammatically, we were told that "there is a moral, a economic imperative for taking the North/South dialogue seriously".

Yes, according to Dr Owen the major socialist innovation in the 1980s is the use of assessment system of taxation. Socialists will however be comforted to learn that this was not lead to a reduction in the bureaucracy. Dr Owen threw away redundancies in the Irish. He then wrapped up the introduction of the wealth tax.

"Logically," Dr Owen told us, "socialism is inevitable. This is mysterious. Me though that historic socialism was inevitable, but least he knew what it was. When evidently does not know what it is, he is not a socialist! Whatever it is, it is locally inevitable!

The poverty of Dr Owen proposals, his confusion, and his ethical rhetoric have course the same cause. Like Hattersley, he has no clear idea of what Social Democracy stands for or what should do next. That is not surprising. The Social Democracy is a old-fashioned socialism, one say from 1919

# PROJECT

the all-white junior school in the Midlands: "Black people are nearly the same as white people."  
" . . . They are sometimes very nice." "They can't help being black." "They look like normal people."

A ten-year-old child in a virtually all-white school in the North wrote: "We think of Pakistanis as black germ people. This is not true. They have funny spots, but not germ, but if they were in their own country many would die of an illness and some would die in the war . . . I don't think they should be sent back to their own country."

The report tries to show that such comments are often based on complete ignorance and lack of information. One white child asked her teacher: "If they wash enough they do turn pink, don't they?" Such ignorance is not restricted to white children as is shown in the following little vignette of the black child in his first term at an infant school who was found scrubbing her hands almost raw, trying to get the colour off.

Many of the apparent prejudices and racist remarks of young children are obviously simply copied from their parents or picked up from television and may not mean too much to the child. But the report shows that they can produce cruel results and may well have lasting effects. The guiltless child of racism.

## Group captain's q

It was thin pickings yesterday for anyone who hoped that, by eavesdropping on Group Captain Peter Townsend as he signed copies of his autobiography, *Time and Chance*, at Selfridges, he would learn something that wasn't in the book.

Quite a few of us hovered. I gave you a few of my findings. The sum total is a picture of a man of infinite charm, and not a little tact.

Old Lady with walking stick: "Thank you for all you did in the Battle of Britain. You saved the country." The author: "What about you? Look what you did on the ground."

Dark-haired man in check raincoat: "I'm Italian. If you were free and Princess Mar-

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## The Gurkhas and

A recent written reply to an MP for London must have been the most interesting I have ever read. It was from our WRVS ladies in Hongkong. No Tynemouth asked why the cost of last outposts of the empire, should in a reply designed to send Mrs W. battlements, Robert Brown, Under Army, explains that the costs were it was judged that the "needs of it

A little bit of the Irish accompanied Pádraig Faulkner, the Republic's Minister for Tourism and Transport, to London yesterday for the launch of a campaign aimed at driving the British back into Ireland.

No one could quite remember the logic of it, but until Fianna Fáil came to power, tourism was the responsibility of the department of Transport and Power. This strange mixture of interests did little to assist the Irish tourist industry, already hit since 1969 by fears of the trouble in Ireland.

But now, with the appointment of the country's first Minister to look after tourism, which represents about 10 per cent of the country's foreign earnings, the Republic is welcoming its troubleshooters back to the green country.

Last year, 853,000 tourists from Britain crossed the sea to Ireland. With the help from March 1 of duty-free allowances, the Government is looking for an increase of 8 per cent, though this is still a long way short of the record 1,125,000 Britons who visited Ireland in

"Three hundred years ago, unsuccessful politicians ended with their heads stuck on top of Temple Bar. Nowadays, they write their memoirs." Thus Sir Ian Gilmour, Tory spokesman on defence, at yesterday's fund-raising luncheon given by the American Foundation for Temple Bar. Sir Ian is indirectly a descendant of the brewer who reerected the Bar on his Hertfordshire estate in 1889. Charles Bar, chairman of the foundation, announced yesterday that the American campaign to return the gateway to the City had already achieved a quarter of its target of £100,000 by the end of August.

## 50







## Social Focus

## Why Britain needs to change its image of the 'educated man'

A range of official pronouncements and decisions in recent months strongly indicate the emergence of an overall view on future strategies for influencing inter-relationships between industry and the educational system. The situation, the diagnosis and the solution are presented in simple but stark manner. As a nation we are dependent on industry for our livelihood; this fact is not widely enough recognized or acted upon as our industrial performance manifestly illustrates. To break out of the downward spiral of industrial decline and associated ignorance of industrial matters, major new educational programmes are needed in our schools and in teacher training, in the further and higher education sectors.

While the dominant diagnosis of the problem is far from certain (as a number of prominent economists heretics have shown) I want to concentrate on the strategies that are being pursued as solutions. In this respect contemporary opinion appears to view the new strategies as a breakthrough: a utopian vision of industry and education working in tandem. In fact such breakthroughs have tended to occur with some regularity when industrial self-confidence has waned. For instance, before the First World War Britain's main industrial competitors were conspicuously outperforming her. In 1901

Gorst noted: "Germany and France are getting ahead of us, and unless we wish to be beaten in the international race, it is asserted that we must bring our education system up to standard."

Similarly in 1910, Magnus recorded that: "The recognition that school curricula have something to do with the progress of the nation and the prospects of Empire (is a) truth which is clearly perceived both in Germany and France."

Magnus saw technical education as the strategy for industrial regeneration and argued that "The school workshop is the emblem of the change in our methods, which corresponds to (the) changed conditions of existence."

The Edwardian strategies for linking the educational system to industry, as was the case with subsequent strategies, owed a good deal to the example of our European competitors. France and Germany it was thought had found solutions to the problems. Paradoxically a review of the situation today while confirming this analysis also confirms Britain's abject failure to implement these Continental solutions.

For West Germany more than three quarters of chief executives in large companies are graduates of various kinds. Engineering graduates are the largest of the groups: more than one third of the top managers in medium and large companies being graduate engineers. In France men trained as

engineers and managers constitute the most heavily represented group at the top in industry. Predominantly this group come from the so-called *grandes écoles* which seek to train high level technical generalists and often attract an intellectually more capable type of man than do the universities.

One survey showed that "almost nine out of 10 of a sample of chief executives of the largest French firms had a *grande école* or university level of education—with six out of 10 being engineers by training." By comparison in Britain "too few of our graduates go into industry—and those that do tend to have an irrelevant educational discipline." Further, far too few high-calibre recruits from schools or universities go into engineering; this is no doubt partly a response to the relatively few engineers that are offered positions in senior management.

The incidence of similar strategies at times of national

crisis and the recurrent failure of those strategies obviously poses a serious doubt as to their likely efficacy. Of course one could argue that contemporary initiatives are better financed, better defined and better supported than before and therefore more likely to succeed. While true, this analysis will only hold up if we are not dealing with factors so fundamental and systemic as to elude the forces of educational proselytism.

In fact the fate of a number of well financed and supported precursors to the current initiatives would seem to indicate the existence of precisely those vested interests and structures which would elude such educational strategies. For instance, Project Technology was funded by Schools Council from 1966-72 at a cost of £270,000. Its establishment followed Harold Wilson's highly charged election campaign which pronounced the coming of the "white heat of technology". Project Technology "set out

to change a central value in the curriculum", namely "the low status given to applied science".

In this objective this highly financed and influentially supported venture seems to have failed: "The general impression it gives is of a project that never penetrated the classroom, and so has not touched practice." A headmaster who experienced the project was asked to recall what happened:

He explained that his school (a secondary modern) had been involved in a cooperative venture with two neighbouring schools, a boys' grammar school and a public school. Working under the direction of the conservation official of the local canal (a retired naval officer), the boys had designed and built a craft for clearing water weed. The public school had made the weed cutting gear, the grammar school had designed the boat, and his school had built it. When the time came to launch the boat his boys could not be there. We asked him, what had happened. "The boat", he said, "it sank. Just like Project Technology".

British system this story and the fate of Project Technology are depressingly indicative. They do, however, alert us to a major factor in the national system: the existence of closely defined and perceived status systems.

The status systems in the educational sector that are relevant to the industrial interface exist at various levels. Firstly, there are status differentiations to do with the kind of knowledge taught in schools. The sort of knowledge that British schools attribute high status to tends to be abstract, heavily dependent on books and text books and hence somewhat divorced from the commonsense everyday world of the learners. The differences between A levels/O levels and CSE and non-examination courses are very clear on these points. Only in the second category is relevance to the learner a major factor, for instance in such "subjects" as social studies, environmental studies, parentcraft, motorcycle maintenance, woodwork and

metalwork. To the abstract high status knowledge of course the main resources go: the better qualified teachers, the favoured sixth form, ratios and indeed the pupils that are thought to have most ability.

As a result of the investment of high status (and high spending) on more abstract bookish forms of knowledge our view of an "educated man" becomes clearly stereotyped. In Britain "an educated man" par excellence has experienced the full spectrum of the classical public school curriculum (or publicly its grammar school "brother"). From there he passes to Oxbridge where continuity with his school curricula is assured and the image of "educated man" forever perpetuated by the model of the Oxbridge don.

The British image of the "educated man" is built into the very texture of the Oxbridge college: a world of pastoral withdrawal from the everyday world where reflective and bookish pursuits may go on unhindered and uninterrupted by the humdrum industrial society. Even so ardent a socialist as William Morris found himself repelled when Oxford began to attract redbrick suburbs. The Oxbridge dream was conceived in revolution to industrial society and was consolidated at a time of national power and imperial expansion.

From this world most of our leaders, our educated men, particularly in the Civil Service and the professions emerge in steady procession. High status and high income are in our society firmly assured through investment in all that the public schools and Oxbridge stand

Against this background curriculum projects which aim

to introduce into the education of young people, from the age of 14, an awareness and understanding of industry, or, more firmly, "to sell the merits of industry" must face a severe uphill task. Indeed more than an uphill task. Make no mistake we are considering a change in the central value system of our culture, something close to the British view of "high standards", the very fabric of our "civilization". To many no doubt this will pose the question not only as to whether strategies of educational change could be successful but also whether they should.

In the past weeks there is some evidence that people inside the value system are arguing the necessity for change:

in short they are saying transformation both could and should be pursued. Two items are representative. At the recent headmasters' conference John Rae, headmaster of Westminster School had this to say: "The enemy is classical humanism... pure rather than applied learning for its own sake, rather than for a purpose, remote academic, where the humanist did not dictate or economic necessities intrude above all where education was not geared to some national purpose but had intrinsic self justifying merits... when the world power (Britain) reverted to its former status of trading state, these attitudes became obsolete."

Quoting this statement *The Times* contributor, Logie Bruce Lockhart, headmaster of Gresham School, commented: "Oh dear! We can most of us think of many ways in which there will always be a place for a small group of first class minds, independent of national or political pressures, striving to free themselves of the world and be concerned with Truth rather than Expedience. Nevertheless I agree with John Rae that there must be few in number: the trading state requires a vast number of producers, businessmen, technologists, doctors, not abstract thinkers: ivory towers en masse are not good substitutes for factories, laboratories and farms."

A second initiative is Eton College's decision to open a centre for design and technology "almost as if in response to the national discourse about the relevance of modern education to living and earning a living in modern society". A comprehensive headmaster has been appointed to head the new department. He commented that: "It is important for Eton and for that matter for the country as a whole, to take design and technology seriously. It was disgraceful in the past that people who made things should be considered below the salt."

Strategies for furthering the inter-relationship between industry and the educational system need to address the complex question of status systems. The established pattern of status represent an enormously powerful historical legacy, a kind of indirect pressure group. Only if high status areas in the educational system such as the public schools and Oxbridge are willing to remould their value system do current strategies stand any chance of success.

Ivor Goodson

The author is Research Fellow at the Centre for Contemporary European Studies, University of Essex.

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## The battle to help lone parents is far from over

Travelling to London from Basingstoke recently, I got into conversation with a drawling woman puffing nervously at a succession of hand-rolled cigarettes. It turned out that she had joined the train at Southampton intending to go to Winchester, but had found herself unable to disembark there.

She said: "I couldn't face another day with my three teenage children. So I'm going up to London and then I'll turn round and come back."

Her extraordinary behaviour may not have been typical, but it did underline the strain on women struggling to bring up children on their own. The woman talked about the never-ending pressure from her children on her time, emotions and finances which were, more typically, strictly limited.

The woman was one of Britain's growing army of one-parent families whose lot remains pretty grim in spite of the advances of the past 60 years since the National Council of One Parent Families was established. The council celebrates its anniversary today knowing that the majority of one parent families are still poor, their children are more subject to ill health, particularly in the first year of life, than other children, and that there is no immediate prospect of a radical improvement.

Nevertheless, my fellow passenger and her fellow divorcees are no longer likely to end up in the workhouses that took thousands of single, widowed and divorced mothers and their children in 1918 when the council began. Nor is an unmarried mother now in any danger of being incarcerated in a mental hospital for her social "crime" of conceiving out of wedlock.

One-parent families have benefited over the past 60 years from the general improvement of living standards and, more recently, from much more tolerant public attitudes towards them. Like other citizens they now have rights to financial support from the state instead of having to depend on parish relief and charity.

Much of the council's early work was concerned with single mothers—it was known until 1973 as the National Council for the Unmarried Mother and her Child—because they were the poorest and most vulnerable. Many were literally homeless and penniless because they were rejected by their own families, while widows and divorcees or deserted wives could more readily turn to other relatives for help.

It campaigned vigorously to remove discrimination against the illegitimate, tried to change public attitudes through educational work, and helped individuals who turned to the council in desperation. Mostly the individuals were referred to moral welfare officers of the various churches who were then almost the only source of sympathetic help available to them.

The council was also involved in its early days in international work, helping to get maintenance from fathers living abroad particularly after the last war. From being founded mainly as

a campaign, the council has found itself becoming drawn more and more into helping individual lone parent families whom they used to refer on to other agencies.

The advent of social service departments in 1974 formalized the new kind of help available to one parent families from their local authority, with different kind of social work to turn to for help. Some of the old moral welfare officers have picked up the emphasis on "moral" rather than "welfare", and that deterred many women from seeking their help.

That, with the other changes in society which have altered the status of women, has given the council a new role. These are now helping lone parents to understand their recently won rights from statutory agencies and telling them how to claim them. If the families do not succeed, the council will intervene on their behalf.

A full-time welfare rights officer represents lone parents at tribunals, helps them with court appearances and other matters, as well as clarifying complicated rules. A counselling service that cost £100,000 is backed up by a person of Royal College of Counsellors' status. The council's early campaign against the widespread discrimination towards illegitimate children and adults have made some headway. Promote legitimate in most cases, circumstances when their parents marry and inherit from each other, parent whether or not they make a will. But those born outside Britain cannot acquire British nationality automatically.

Unless they are stateless, 1977 and various government departments still operate discriminatory policies against them. The Foreign Office will not post illegitimate born people abroad normally, and the home civil service pays unmarried mothers lower allowances than divorced, widowed or separated mothers. Education grants for unmarried mothers are all lower than for other lone parents and they are handled by two government departments, not one.

But the main thrust of the council's work as it enters its 61st year will be to campaign for the two major reforms mandated by the Fine Committee on One-Parent Families in July 1974 and rejected firmly by the Government. The first is to introduce a special one-parent family allowance that will give them a basic standard of living without a means test on which they can build their family responsibilities.

The second is the introduction of family courts to remove marital and domestic matters from the sura of the criminal courts and the adversary system of justice. The Government went into the last election campaign committed to the principle of family courts, but has since reneged on its pledge on grounds of cost.

Pat Heath Social Services Correspondent

# If you're looking for a low tar cigarette surely it makes sense to smoke Silk Cut.

The Silk Cut range: All tobacco: Green 48p. Blue 50p. Red 52p. King Size 55p. International 60p. With 25% tobacco substitute: Blue 50p. King Size 55p or with 40% tobacco substitute: Ultra Mild 55p.

SCM2

Recommended prices at 12th Jan.

LOW TAR As defined by H.M. Government  
H.M. Government Health Departments' WARNING:  
CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH

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1. The first step is to identify the problem. In this case, the problem is that the system is not working properly.

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## Insurmountable problems of a world scramble for nuclear power

Commission to put to the Japanese over the next two months have been somehow sprung on the Tokyo government without preparation or warning.

Mr Ushiba claimed that the Community was trying in a matter of weeks to wring commitments from Japan which had been negotiated over many months with the United States.

**Increased imports call:** Mr Benedict, Northern Secretary of the EEC's Directorate for North Atlantic Affairs, said New Zealand and Japan, speaking in Tokyo, urged Japan to increase its imports of European goods to reduce its trade surplus with the Community, according to foreign ministry sources.

proceed with nuclear power before certainty about the viability and safety of classification has been shown, is surely irresponsible.

With regard to plutonium and the proliferation issue, we entirely agree that governments are probably more in danger to the survival of mankind than the odd terrorist group. There is small comfort in that. Moreover, the proliferation of plutonium being less toxic than anthrax spores, botulism or whatever, mis-

## Builders ask Mr Shore for more work

By John Huxley

Construction leaders yesterday gave Mr Shore, Secretary of State for the Environment, a strong warning that unless government spending levels are raised the unemployment "epidemic" will continue to spread through the industry.

Mr Shore, who was accompanied by Mr Freeson, Minister for Housing and Construction, and Sir John Garlick, Permanent Secretary at the Department of the Environment, was meeting the group of eight in a delegation, which represents unions, manufacturers, employers and professions.

After the meeting, Mr Gordon Graham, president of the Royal Institute of British Architects, said that the minister had heard that the industry was still too little work to be risking unemployment, maintain investment and to prevent a deterioration in the quality of service provided.

Although he said the delegation had received a sympathetic hearing, Mr Graham, who is chairman of the Federation of the Civil Engineering Contractors,

Figures from the recent White Paper on spending to 1982 showed that expenditure on infrastructure would be little more than 50 per cent of the levels achieved in the early 1970s.

Despite the existence of civil engineering projects which would be economically beneficial, the actual proportion of spending on infrastructure over the next four years was expected to decline.

The delegation stressed that an additional injection of cash would be economically important to suggest possible Budget measures. These included moves to stimulate private investment in industrial building, changes in the development land tax and easing the burden on overseas earnings.

## Green Shield widens range

Green Shield, as part of its socialization programme following the loss last summer of Tesco as its biggest single customer, is either closing down its 54 redemption centres or converting them to Argos discount showrooms.

From this week, Green Shield trading stamp savers will be given the choice of using cash or stamps to redeem merchandise from its Argos branches. The arrangement with Argos increases the choice of goods available to savers from fewer than 1,500 to more than 2,000 items.

From Mr C. B. Sweet  
Sir, If the six distinguished contributors of your article,

and far more rapidly than official figures (which are scarce supply) reveal. The

by the Warren Commission inquiry, I do them the credit of believing that they would not have written as they did in your issue of February 6. To place

... were to cost between £89m and £95m each and other two slightly more. The...  
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is a poor way for men experienced in reaching decisions based on technical evidence, to address the public.

ve AGRs is over £3,000, which is in line with other research workers in the field have arrived at.

was commercially viable cannot be treated as a sound basis to begin a survey of the complex issues involved in

There is no evidence that the authors of the article in question have given any serious thought to what is meant by

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The Fuel White Paper of 1960 said "that in view of the low price of oil and the plentiful supply of coal there was no

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ours faithfully.  
B. SWEET,  
ning Lecturer in Economic

## Leyland true losses

gas profits at  
expense of

inferior to that of their counterpart industries in Japan only if we use the criterion of product (or added value) per head

The report (February 1971) on the massive profits of the Gas makes sad reading for those of us who have the tax

Steel Corporation produces 2.1 times as much added value as each pound invested in New Nippon Steel of Japan." However, hammering no indication

called a "price index adjusted for the cost of living" in order to take account of inflation, and which has been strictly

inference to be drawn from the ratio is rather that both British Steel and Leyland are vastly undercapitalized. The reason

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One of the most alarming revelations in the Ryder report on British Leyland in 1975

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that much of the Leyland plant is due for imminent replacement; and that the dimension of the group's true losses is much greater than the results

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**Q. 10. What are the different types of soil?**

## urged to obey EEC directive

The National Association of Steel Stockholders has recommended its members to give undertakings to producers on services and tonnage in line with the Directive initiative. It follows the appeal to stockholders by Visconte Etienne Davignon, the EEC Commissioner for Industry, last week, to support European steel services restructuring.

British Steel Corporation and the independent producers subsequently wrote to all stockholders asking them to sign a letter of intent to BSC and the independent stockholders to commit themselves to making sales on the basis of BSC list prices plus margin to cover costs and profit.

The stockholders were also asked to promise that they would endeavour to place 95 per cent of their requirements

## Engineers back separate body for technicians

It is hoped to launch it in the spring or early summer.

### RETAIL SALES

The following are the seasonally adjusted figures for retail sales released by the Department of Industry:

	Sales by volume 1971 = 100	Percentage change latest 3 months on previous 3 months at annual rate	Sales by value 1970 = 100
1975	105.2	-5.2	212.7
Dec	104.5	-3.0	215.7
Jan	104.0	0.2	217.4
Feb			

oni	102.3	-8.6	220.1
ay	102.3	-8.2	222.7
me	102.3	-3.1	223.4
ily	105.0	-3.5	231.9
ug	105.2	7.8	236.7
sept	103.9	8.4	235.7
at	103.3	2.5	235.3
oc	103.8	-1.9	237.3
dec	107.0	0.0	246.3
<b>778</b>			
n p	106.0	4.9	—

by Mr Bean are to cost £65.

present programme the British Government were to cost between £300 million and £400 million. The other two slightly more. The report, even the official figure, states that the capital cost of the programme recognized to be high in relation to the amount of electricity generated. My constant partner, Mr. Myer, the Secretary for the total cost of £400 million. The AGRs, is, over £300 million. This is in line with what other research workers in nuclear power have arrived at. In addition, these considerations, and the expense this scheme would involve, would tend to make it difficult to strike a balance between the advantages for nuclear power and the disadvantages. The authors of the article in question have given a very serious thought to what is meant by "commercial success" or "loss". They are aware of the uncertainty which exists. This is germane to the conclusions. They admit that there are risks with nuclear power, and it is implicit that the risks are greater than those associated by the greater safety

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BY THE FINANCIAL EDITOR

## Echoing Treasury forecasts

Optimism evident in the gilt-edged middle of last week was still further yesterday, and prices drifted lower. There remain expectations that short-term interest rates will rise in the next two or three months, but there is also a marked tendency to believe that the recent upsurge in the monetary aggregates represents anything more than a temporary inflation of bank liabilities, and therefore is generally relaxed for the time being. The markets are probably right at the moment, but the authorities would prefer a "corset" (which might not squeeze too tight) before they would set rates sharply higher.

For once the City is increasingly sharing the Treasury's views about the pattern of price inflation later in the year. The chief secretary, restricted himself to the forecast should remain within single digits until the year end. But all the usual provisos, some are talking about 7 or 8 per cent prospect, which is a good deal more than most forecasts as two or three months ago.

By June it seems likely to be that the implication is that prices are rising broadly on a plateau for the time being, and this, it is argued, would be a powerful reinforcement for the four per cent policy the Government seek to implement. With no sign of inflation yet, there is growing confidence that the official 3 per cent target will be met unless the Chancellor more generous in his Budget relief he will be.

This necessarily negates the fact that short-term rates are now too high to the continued steepness of the curve—more than six points one-way market rates from long-term could raise again the question of a 12 per cent plus returns still in long gilts are not taking too view of the prospects for later

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ing the cost  
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g away steadily last year, retail now poised for as strong a period as during the 1972 consumer boom, yesterday's provisional figures failed to maintain December's But the 14 per cent growth in the January period over the dull previous three months is

nual basis sales are growing at most 5 per cent, which is better time in the last five years. With little incomes rising all the time, the possibility of a strong reflationary April the chances are of an autumn than this. Their strong performance last year is still look to have an edge over the market with their y to rise rather more than the rest in general. But at this stage though attention will continue well-defined sectors of the retail trade, mainly food, which have couple of years batten down consumer durable companies and Dixons and perhaps some investment stores like Debenhams investors' lists.

everyone's lists, of course, are ailing. Following last summer's move to drop trading stamps and, in addition, the whole food retailing has been in a quandary about how to deal with a fifth off last year's sales with a drop of only a tenth as a whole.

As events have only confirmed Tesco has taken market share from other supermarket groups the Co-operative Societies appear to be the brunt of the intensification

of competition, recent results from Association Dairies, Wheatheaf Distribution, and most recently International Stores, have only underlined that so far there have been no winners in the price war.

Many, however, are still taking the narrow view that Tesco is right to build up market share in front of an upturn in sales, on the view that once this has been achieved margins can be repaired. So long as the other supermarket groups react sensibly the only casualties will be small retailers and perhaps a few medium sized groups caught in the middle.

Share prices certainly seem to be signalling only skin-deep damage. The alternative view is that Tesco has bitten



Mr. Leslie Porter, chairman of Tesco.

off more than it can chew in the sense that it has sparked off long-term structural changes in the industry that have been pressing for some time but could well have been achieved less painfully.

Faced with virtually no increase in food consumption, generally acknowledged over-capacity in stores as well as the development of hypermarkets, the price war is destroying the old economics of high street supermarkets. The fashionable analogy now is with the United States where the dropping of trading stamps a few years back led to price competition so vicious that food retailing groups steadily lost stockmarket favour and some went under. Tesco's move in this country could well turn into a Phrynic victory, even if it succeeds.

## Notts Manufacturing Mounting cash balances

Nottingham Manufacturing's pre-tax profits have jumped by a third to over £15m helped by a £1.4m exceptional profit on the sale of the group's holding in fellow Marks & Spencer supplier Wood Sawtooth. But the underlying profits improvement of just over a fifth, although not quite matching the growth of the less important first half, was still well up to market expectations and the shares climbed 4p to 114p yesterday.

This represents good progress in what has been a patchy year for knitwear sales and what must have been a tough one for the group's Lancaster Carpets division. It provides further justification of investors' faith in Nottingham's cautious and enigmatic management style.

NM's famous cash balances continue to swell while the board offers not the slightest hint about how they might eventually be used. Cashand investments, mainly gilts, had risen to over £24m—over 47p a share—at the last balance sheet date and investment income edged up last year to £1.9m.

On the trading front NM has seen knitwear demand take off sharply at home while the group has apparently managed to keep exports moving ahead despite stronger sterling. Given the good omens for consumer spending in the United Kingdom and import restrictions profits next time could climb to around £17m to reduce the historic price earnings ratio of just over 6 by at least a point. Admittedly the premium rating is reflected in a yield of 4.3 per cent, particularly unwelcome for the textile sector, but as long as Nottingham continues to sit on its cash hoard that premium will remain whatever criticisms are levelled at the board for failing to adopt a more expansionary mood.

Norway's devaluation on Friday does not mean the end of Scandinavian participation in the European snake; but it ought to. For it is clearly emerging that the Nordic countries still in the snake have found themselves in what is effectively a "mark block" when their economies have far more in common with each other than with their German neighbours.

Ever since Sweden, the biggest of the Scandinavian countries, left the snake with a large devaluation last summer, the odds have been on a further devaluation by the others. The dollar's plunge against the Deutschmark, and thus also against the other snake members, increased the pressure.

A Finnish devaluation has been expected to follow the Norwegian move, just as one followed the Danish devaluation. The Danish are so far holding out, but many in the market believe that adjustment will come fairly soon.

As a glance at the inflation rates of the snake currencies illustrates the similarity between the Scandinavians: in Denmark, Norway and Finland prices rose by 9 per cent or more in the year to last November. This is much nearer to Sweden's 12.5 per cent than to Germany's 3.7 per cent.

Keeping up with the German's strong currency has led to a significant weakening of the competitive position of the Nordic countries. Their unit labour costs have increased more quickly than the average for the rest of the OECD area.

The rise of the Deutsche mark against the United States dollar over the last year has also posed difficulties for the Belgian franc and Austrian schilling—the other two typically weak snake members. However, their inflation rates are closer to that of the Germans, and their economies are more heavily dependent on Germany.

Although currency dealers are now expressing pressure for a Belgian devaluation to build up the Belgians have so far fought shy of breaking the link with their German neighbours, or of moving their currency down within the snake.

Their attitude is understandable. Germany takes nearly a quarter of Belgium's exports

Currency devaluation has served to underline the crisis that is afflicting the pulp and paper industries of the Nordic countries. To these, the most strategically important of the areas in manufacturing sectors, this significant export incentive will come as a godsend.

The wood processing industries of Finland, Sweden and Norway, which rely extensively on European customers, have been sapped by more than three years of depression. A shrinking market, fierce competition from North American producers, rapidly rising domestic costs, over-capacity, over-manning and a changing pattern of consumption have brought havoc.

Without some measure of devaluation to help the Nordic producers to fight off particularly the American and Canadian challenge to their traditional European market shares the outlook over the next two or three years would be bleak indeed.

In Finland the wood processing sector suffered estimated losses of 2,500m Fimmark in 1976 and will show similar deficits for 1977, while in Sweden five of the largest companies have reported 1977 losses totalling almost £100m. Results for this year are unlikely to be much better. The Finns have been pressing for a major devaluation for two years and they will want further government action on the domestic front.

Devaluation, while welcome, is seen as providing only a minor stimulus to an industry facing such extreme difficulties. Returns to the hard-pressed Scandinavian paper mills could be improved and "marginal" won, thanks to the slightly greater scope for price

## Scandinavians: how one devaluation leads to another

Caroline Atkinson and David Blake discuss the pressures which led to last weekend's decision by the Norwegians and, below, Edward Townsend examines the plight of the region's major exporting sector

and provides about 22 per cent of the country's income.

The other large trading partner is The Netherlands, which is also in the snake and would certainly move up with the mark if the present arrangements were to break down.

For the Scandinavian countries, however, this argument does not apply to nearly the same extent. They trade heavily between themselves, but depend much less on Germany. The case of Norway, Germany absorbs only 8 per cent of the country's exports, compared with 20 per cent absorbed by the other Scandinavian countries.

Nearly a quarter of Finland's exports go to other Scandinavian countries, roughly twice the share going to Germany and Holland combined.

The argument is slightly more complex in the case of Denmark. Germany and the other Scandinavian nations in terms of their importance as a source of Danish imports, which goes a long way to explaining the evident reluctance of the Danes to follow Norway. But as a market for Danish exports, Germany takes far behind the other Scandinavian countries, taking only 16 per cent compared with the 26 per cent going to the other Nordic nations.

Another common feature of the Scandinavian countries has been their large balance of pay-

ments deficits. The response of these countries to the oil price shock was that recommended by the OECD, followed disastrously by Britain and ignored by the Germans. They attempted to counteract the depressing effect of dearer oil by expansionary fiscal policies and to cover the resulting deficits on their trade and current accounts by borrowing.

For the Norwegians, the problem posed by the oil price rise contained their own solution. Norway has, or will soon have, its own oil in plenty.

Thus the Norwegians have been able to finance a payments deficit of huge proportions—roughly 14 per cent of gross national product in 1977—on the security of their oil revenues. They alone among the smaller European countries have achieved substantial growth in the past two years.

Output last year rose by an estimated 4 per cent and the OECD forecasts further growth of 6 per cent this year.

However, even they have been forced to tailor their policies to those of the rest of the world, and the national budget for 1978 is less expansionary. The failure of industrialized countries to pull out of recession and the consistently slower than expected growth in world trade has led to a gradual destruction of industry because of loss of competitiveness. The decision to devalue should not just

Norway's growth is now almost entirely due to oil. Exports of traditional industries showed a fall in volume terms, last year. If the oil and shipping sectors are taken out, the growth projection for this year falls to 2 per cent to 2½ per cent.

Manufacturing industry is not expected to increase its investment at all this year and the large-scale capital spending in North Sea oil is now over.

The hopes of the Norwegian government that exports would pick up with increased market shares have been dashed. The country's worsening competitive position has hindered export growth.

On top of this Norway's main markets—Sweden, Great Britain and Denmark—have grown even more slowly than the OECD average.

The balance of payments last year was further hit by disappointing production in the oil sector. The "blow-out" at Ekofisk and other production problems cut export earnings drastically from the original forecasts.

Norway has never intended to take the benefits of its oil entirely in increased consumption, with a higher exchange rate leading to increased real incomes, but a gradual destruction of industry because of loss of competitiveness. The decision to devalue should not just

benefit the balance of payments—it should also give a fillip to the structural goals of the country's economic policy.

If Norway's problems are linked to the failure of the country's industry to expand exports rapidly enough to cover the sharp growth of domestic consumption, the difficulties faced by Finland have been that a good external performance has been accompanied by a slide into deeper and deeper recession.

Finland, like most of the small countries, was late to feel the blow of the oil crisis and late to adjust, experiencing an all the more severe recession when it finally arrived in 1975.

When the Finnish authorities switched to a restrictive stance they did so with a vengeance. Private consumption is estimated to have fallen by over 4 per cent during 1977, far more than in any other of the small countries. Although public spending went up, the net effect on domestic demand was significantly contractionary.

In many ways, the policy has been a success. The payments deficit has been eliminated and inflation has fallen sharply from about 18 per cent in 1975 to 12 per cent at the end of 1977. The volume of exports went up by 8.5 per cent last year and is expected to grow significantly during 1978.

However, the volume is not growing fast enough to get the economy out of recession. Output fell by just under 1 per cent in 1977 and was forecast to remain stagnant this year. Only the prospect of higher exports through gaining a competitive advantage provides the hope of getting activity moving again without a new balance of payments crisis.

Achieving this is going to be more difficult in a world where Sweden has not merely devalued its currency, but is now (through floating downwards) less obviously, but since last spring, has also swung its domestic economic policies into reverse. It is now seeking payments balance before growth.

That, however, is the problem which faces all the small trading countries of the world as they try to come to terms with the prospects of slow world growth for many years to come.

## Grist to the mill of the hard-pressed paper and pulp industries

flexibility. But the Finns were keen to stress that devaluation would make no difference to their own pricing policies in Europe.

One leading representative of the Finnish paper industry commented that devaluation will be seen as purely a domestic measure designed to increase the competitiveness of our industry. It does not follow that there will be an automatic decrease in our prices.

There is now a hope, though, that the grossly under-used Nordic capacity for both pulp and paper making can be more fully operated. In Finland paper mills ran at 65-70 per cent of capacity last year and this is expected to rise to 75-80 per cent for 1978.

This is unlikely, however, to prevent the continuing labour shake-out that has been taking place in the over-manned Nordic industry in the past 18 months. Companies have been shedding 10-15 per cent of their workers and shutting mills for extended periods to try to bring output into line with a level of demand that is certain to remain fairly weak at least until the early 1980s.

There is at present a marginal improvement—some 2 or 3 per cent—in demand for paper in Western Europe, but ironing out the higher mill utilization in Scandinavia and Finland has been made possible by unusually high demand from the United States for mechanical coated grades and magazine papers.

The Nordic producers are now watching closely the economic fortunes of the United States and Canada, for increased activity will lead the American producers to channel more of their output back to their domestic market. In the

past three years cut-price competition in pulp from Canada and the United States has cost the Scandinavian a quarter of their European market.

The result has been a pulp price war that has bitten even deeper into the fine margins under which the high cost Nordic manufacturers operate. Scandinavian pulp makers were forced into a price cut of \$40 a tonne in the last quarter of 1977 to combat the North Americans.

This, coupled with a price drop agreed by the Swedes and Finns in November, lowered the price of bleached long-fibre pulp from \$415 to \$350 a tonne.

Also, although most paper grades from the northern countries remained stable in price, the falling cost of pulp has forced reductions in the price of wood-free fine papers, which have dropped from £400 to £300 a tonne.

The impact of North American competition on the international pulp market has now been felt in other parts of Europe. The French and Belgian industries, backed by their governments, have submitted an anti-dumping case to the European Commission against the United States and Canada and so far only the British industry, keen to preserve the margin between pulp and

finished paper prices, has opposed the move.

But the United Kingdom also has a growing pulp industry, based on domestic wood, and would not be helped by a continuation of the price battles.

The economics of the £100m government-backed mill planned by Thames Board at Worthington would be enhanced by a firming of world pulp prices.

The paper making industries of the EEC also face the prospect that the Nordic pulp producers will use more of their valuable raw material and switch greater amounts of investment capital into integrated pulp and paper mills or improved paper machines to try to increase returns. There is, too, the ever-present danger that the Scandinavians will buy their way into the rest of Europe by taking over existing mills.

Certainly, devaluation in isolation will at best ease only slightly the position of the Nordic producers. The Finns, so largely dependent upon the United Kingdom market, stress that their prices to British buyers fell from 850,000 tonnes in the good year of 1974 to 600,000 tonnes in 1975.

Last year they had risen to 700,000 tonnes and this year probably will rise to 725,000 tonnes, but there is a long way to go before the major investments in new capacity made by the Scandinavians in the early 1970s begin to pay off.

Against this background, further contraction of the European industry, particularly in the printing and writing paper sectors, looks certain in the next few years.

The concern among Finnish and Swedish paper makers to hold on to their traditional markets has also been illustrated in the last two weeks by the decision to freeze newspaper prices for the whole of 1978.

The Finns are determined to retain their one third share of the United Kingdom market, despite the combined effects of a stronger pound and a weaker dollar which effectively have cut prices to the mills by up to 6 per cent since last September.

The paper industry throughout Europe therefore faces a period of continuing restraint and fierce price competition. The traditional growth rate in paper consumption has slowed significantly and without much government help more cutbacks and mill closures seem unavoidable.

## Business Diary: The silenced screen • Pound foolish?

omroe's funniest ze it Hot, made in nger be screened he Billy Wilder ich Moore plays jazz band along Sieff, was Laurence Olivier, and Tony Richardson's Tom Jones.

Even recent films, like Losey's *Figures in a Landscape*, and popular comedies like the film version of Neil Simon's *Boys in the Band*, have disappeared from view. "It makes us think," Miss Holman says angrily, "that the film people do not know how to run their business."

Now that sterling is moving in the right direction, could the appearance of Sir Isaac Newton on the new, smaller pound note, now in circulation presage a new monetary policy from the First Lord of the Treasury (the Prime Minister)?

Astute gold followers in the City have noted that Newton was made warden of the mint (it is a little unclear when the designation "royal" was added to the title) in 1696 and master in 1699 or 1700, depending on whose authority you take.

One of Newton's acts as master was to set the mint's purchase price at £3 17s 10d (say £3.89) a standard ounce of gold in 1717 when the



Hollowood

"I'd like to get out of citrus and invest in Mercury."

value of the guinea was fixed at 21s. The free market price is now £90 an oz.

The price was suspended in 1797, when fears of a French invasion led to heavy conversion into gold, and was effectively restored in 1817. Otherwise the mint's price lasted until 1925 and in theory until 1931.

Now that the smaller pound in your pocket is worth a little more than a few months ago, could it be that the First Lord

is about to allow us convertibility into gold?

For the record, Macaulay, in his "History", records that before Newton's appearance on the scene, the mint "had been a nest of idlers and jobbers". However, "the ability, industry and the strict uprightness of the great philosopher speedily produced a complete revolution throughout the department which was under his direction."

While sipping a glass of steam-powered brandy in the central Spanish town of Tomelloso, our man in Madrid reports, he finally understood the importance of planned obsolescence.

The brandy, aged and blended in Jerez, is the product of the "Hilander" or "leñero" spirits, produced in Tomelloso at the Sanvito distillery, managed by Julián López Torres.

British-built machinery is the pride of the distillery, yet López Torres is hardly a repeat customer. A noisy iron and brass fixed steam engine chuffs and clanks away alongside the plant office, furnishing the power to pump grape juice and alcohol from one vat to another.

Above massive black cast-iron leets, heavy duty engraved plaque reading: "Thomas Bradford Co. . . . Manchester . . . London, 63 Fleet Street . . . 1873."

We don't have any replacement problems, the distillery manager explained, "except for the transmission belts which wear out from time to time." Alas, the results which the plant has had from a chamber-and-coil distillation apparatus also built in Britain, apparently as an accessory to the steam generator, have not been so good.

The stand and other polished hardwood parts have had to be replaced mostly with copper and brass. But then, it is a bit older than the engine. It was brought from Jerez about 1869, when Domecq Hermanos, now Pedro Domecq, first decided to distil wine from Don Onofre's region of La Mancha rather than "burn" good sherry to make brandy.

Sir Harold Walter, the minister of tourism for Mauritius, who is in London seeking more British visitors to his idyllic island in the Indian Ocean, says that the British have long been unfamiliar with their former colony. "In one of the town halls," he said, "we still see a picture of one of Queen Victoria's cabinet ministers. It is addressed: 'Mauritius, British West Indies'."

## INVESTORS CAPITAL TRUST LIMITED

Annual Report for the year to 30th November 1977

	1977	1976
Valuation of Investments	£78,720,000	£70,509,000
Net Assets per 25p share	95.4p	83.3p
Gross Revenue	£3,273,500	£2,622,500
Dividend	1.65p	1.20p

Assets attributable to Ordinary Shareholders rose 15 per cent in the year. Net asset value per Ordinary Share is close to the highest recorded in the history of the Company and has more than doubled since November 1974 which was the end of the year in which the Company changed its name and adopted revised investment policies. The gain achieved over these past three years exceeds the extraordinary rise in the cost of living over the same period and so the real value of the assets has been effectively maintained.

Earnings per Share for the past year have risen by 46 per cent and the Directors recommend the payment of a final dividend of 1.05p. The total of 1.65p will be the highest net dividend paid to Shareholders for any one year and represents an increase of 37.5 per cent over the distribution for the previous year. In the coming year a further rise in earnings is expected giving scope for a higher dividend to the shareholders.

In his annual Statement the Chairman expresses disappointment

that the market value of the Company's shares still falls so far short of the net asset value stated in the balance sheet. The rating of all investment trust shares has suffered in the market place, yet within the sector as a whole, Investors Capital performs a distinctive role. It serves a particular class of investors whose primary objective is capital growth and who look to the international character and the flexibility of the company's investment strategy for protection in an inflationary environment. While the Directors would not hesitate to modify the objectives of the company if the longer term interest of shareholders should so require, they consider that in the present investment climate it is well equipped to meet the changing pattern of market demand for investment trust shares. After discussing reasons for expecting an improved balance between supply and demand for shares, the Chairman concludes that the rating of the sector as a whole and of the Company's shares in particular should continue to improve.

Copies of the Report may be obtained from the Secretary

INVESTORS CAPITAL TRUST LIMITED

9 CHARLOTTE SQUARE, EDINBURGH EH2 4DY

A member of The Association of Investment Trust Companies







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MARKET REPORTS

Commodities

Table with 3 columns: Commodity, Price, and Change. Includes items like Copper, Tin, Lead, Zinc, Nickel, and various oil grades.

Commodities

Table with 3 columns: Commodity, Price, and Change. Includes items like Coffee, Sugar, Wheat, and various oil grades.

Wall Street

Table with 3 columns: Stock, Price, and Change. Lists various NYSE and NASDAQ stocks.

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Gold to \$3 higher

New York, Feb. 13.—Gold prices rose sharply today, reaching a new high of \$317.50 per ounce.

Table with 3 columns: Stock, Price, and Change. Lists various NYSE and NASDAQ stocks.

Foreign Exchange

Table with 3 columns: Currency, Rate, and Change. Lists exchange rates for various currencies.

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Discount market

Day-to-day credit proved very short on Lombard Street yesterday.

Table with 3 columns: Currency, Rate, and Change. Lists exchange rates for various currencies.

Spot Position of Sterling

Table with 3 columns: Currency, Rate, and Change. Lists exchange rates for various currencies.

Table with 3 columns: Currency, Rate, and Change. Lists exchange rates for various currencies.

Forward Levels

Table with 3 columns: Currency, Rate, and Change. Lists exchange rates for various currencies.

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Authorized Units, Insurance & Offshore Funds

Large table containing financial data for various funds, including authorized units, insurance, and offshore funds. Includes columns for fund names, prices, and changes.

IE CHARTER TRUST AGENCY LIMITED. Extracts from the Report and Accounts for the year ended 30th November, 1977. Includes financial data and company information.











**Dorsetshire**

12.00	Thames &
16.00	1.30 - Train
17.00	1.50 - Theatre
18.00	G. 45
19.00	G. 25
19.20	12.30
19.30	ATV
19.40	Sun.



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